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MONTANA LEGISLATIVE HISTORY

Chapter 584 19 99

Bill H _____ S 184 Original bill & history * ✓ C

H. Committee on Taxation			S. Committee on Taxation		
Hearing Date(s)	4-8	✓ C	Hearing Date(s)	3-25	✓ C
	4-12	✓ C			C
	4-16	✓ C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____ Yes ✗ No

Committee _____ Report _____

Free Conf.
Hearing 4-17
4-19

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendent information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

SB 184 Introduced by Grosfield, et al. *LC0808 Drafter: Petesch*

Generally Revise Property Tax Laws;...

1/11	Introduced and 1st Reading		
1/11	Referred to Taxation		
1/11	Fiscal Note Requested		
1/18	Fiscal Note Received		
1/19	Fiscal Note Signed		
1/20	Fiscal Note Printed		
1/25	Hearing		
3/20	Revised Fiscal Note Requested		
3/24	Revised Fiscal Note Received		
3/24	Revised Fiscal Note Printed		
3/25	Committee Executive Action--Bill Passed as Amended	8	1
3/25	Committee Report--Bill Passed as Amended		
3/29	2nd Reading Passed as Amended	50	0
3/30	3rd Reading Passed	47	3
	Transmitted to House		
3/31	Referred to Taxation		
4/08	Hearing		
4/13	Committee Executive Action--Bill Concurred as Amended	11	9
4/13	Committee Report--Bill Concurred as Amended		
4/14	2nd Reading Concurred as Amended	89	11
4/15	3rd Reading Concurred	89	10
	Returned to Senate with Amendments		
4/15	2nd Reading House Amendments Not Concurred	44	6
4/15	Free Conference Committee Appointed		
4/17	Hearing		
4/19	Revised Fiscal Note Requested		
4/19	Hearing		
4/20	Revised Fiscal Note Received		
4/21	Free Conference Committee Report Received		
4/21	Revised Fiscal Note Printed		
4/21	2nd Reading Free Conference Committee Report Adopted	42	6
4/21	3rd Reading Free Conference Committee Report Adopted	45	5
	House		
4/15	Free Conference Committee Appointed		
4/21	Free Conference Committee Report Received		
4/21	2nd Reading Free Conference Committee Report Adopted	76	24
4/21	3rd Reading Free Conference Committee Report Adopted	77	22
4/21	Sent to Enrolling		
4/28	Returned from Enrolling		
4/28	Signed by President		
4/29	Signed by Speaker		
4/30	Transmitted to Governor		
5/10	Signed by Governor		
5/10	Chapter Number Assigned		
	Chapter Number 584		
	Effective Date: 5/10/1999 - All Sections		

BILL NO. 184

INTRODUCED BY (Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING PROPERTY TAX LAWS; ESTABLISHING A PROCEDURE BY WHICH ALL MILL LEVIES MUST BE ESTABLISHED IN ORDER TO COMPLY WITH TAX LIMITATIONS; CHANGING HAIL INSURANCE PAYMENTS FROM A PROPERTY TAX LEVY TO A FEE ASSESSMENT; AMENDING SECTIONS 2-9-212, 2-9-316, 7-1-112, 7-1-114, 7-1-2103, 7-1-4123, 7-2-2246, 7-2-2730, 7-2-2743, 7-2-2746, 7-2-2749, 7-3-184, 7-3-1104, 7-3-1227, 7-3-1310, 7-3-1311, 7-3-4442, 7-6-1506, 7-6-2319, 7-6-2321, 7-6-2345, 7-6-2348, 7-6-2501, 7-6-2502, 7-6-2511, 7-6-2512, 7-6-2513, 7-6-2522, 7-6-4209, 7-6-4232, 7-6-4259, 7-6-4261, 7-6-4272, 7-6-4401, 7-6-4405, 7-6-4406, 7-6-4407, 7-6-4421, 7-6-4438, 7-6-4452, 7-6-4453, 7-7-2202, 7-11-1106, 7-11-1112, 7-12-1132, 7-12-1133, 7-12-2154, 7-12-2158, 7-12-2161, 7-12-2165, 7-12-2167, 7-12-2202, 7-12-4102, 7-12-4106, 7-12-4176, 7-12-4177, 7-12-4178, 7-12-4179, 7-12-4181, 7-12-4186, 7-12-4188, 7-12-4190, 7-12-4192, 7-12-4222, 7-12-4225, 7-12-4328, 7-12-4332, 7-12-4333, 7-12-4425, 7-12-4611, 7-13-124, 7-13-144, 7-13-216, 7-13-2221, 7-13-2302, 7-13-2528, 7-13-3020, 7-13-3027, 7-13-4309, 7-13-4406, 7-14-111, 7-14-232, 7-14-1111, 7-14-1131, 7-14-2101, 7-14-2205, 7-14-2501, 7-14-2502, 7-14-2503, 7-14-2731, 7-14-2801, 7-14-2807, 7-14-4106, 7-14-4643, 7-14-4644, 7-14-4703, 7-14-4713, 7-14-4734, 7-15-4281, 7-15-4283, 7-15-4286, 7-15-4292, 7-16-101, 7-16-2102, 7-16-2108, 7-16-2109, 7-16-2205, 7-16-2411, 7-16-2423, 7-16-2431, 7-16-2443, 7-16-4105, 7-16-4113, 7-16-4114, 7-21-3203, 7-21-3410, 7-21-3432, 7-21-3433, 7-22-2142, 7-22-2222, 7-22-2306, 7-22-2432, 7-22-2512, 7-22-4101, 7-32-4117, 7-33-2109, 7-33-2209, 7-33-4111, 7-33-4130, 7-34-102, 7-34-2122, 7-34-2133, 7-34-2417, 7-35-2122, 10-3-405, 13-13-230, 15-1-402, 15-7-403, 15-10-204, 15-10-205, 15-10-401, 15-10-402, 15-16-117, 15-16-203, 15-23-214, 15-24-922, 15-24-1402, 15-24-1501, 15-24-1603, 15-36-323, 19-3-204, 19-7-404, 19-9-209, 19-13-214, 19-18-504, 19-19-301, 20-3-205, 20-3-324, 20-6-413, 20-7-705, 20-7-714, 20-9-131, 20-9-141, 20-9-142, 20-9-151, 20-9-152, 20-9-168, 20-9-303, 20-9-308, 20-9-331, 20-9-333, 20-9-360, 20-9-404, 20-9-438, 20-9-501, 20-10-144, 20-10-146, 20-10-147, 20-15-305, 20-15-311, 20-15-313, 20-15-314, 20-15-326, 20-25-423, 20-25-439, 22-1-304, 22-1-316, 23-4-303, 41-5-1804, 50-2-111, 50-2-114, 53-2-322, 53-2-813, 53-20-208, 67-10-402, 67-11-201, 67-11-301, 67-11-302, 75-10-112, 76-1-111, 76-1-403, 76-1-404, 76-1-405, 76-1-406, 76-1-407, 76-2-102,

INTRODUCED BILL
SB 184

76-5-1116, 76-6-109, 76-15-501, 76-15-505, 76-15-516, 76-15-518, 76-15-623, 80-2-203, 80-2-204, 80-2-205, 80-2-207, 80-2-221, 80-2-222, 80-2-223, 80-2-225, 80-2-226, 80-2-228, 80-2-229, 80-2-230, 80-2-232, 80-2-244, 80-11-206, 81-6-104, 81-6-204, 81-6-209, 81-7-118, 81-7-201, 81-7-202, 81-8-504, 85-3-422, 85-7-206, 85-7-307, 85-7-1953, 85-7-1973, 85-7-2104, 85-7-2117, 85-7-2134, 85-7-2136, 85-8-601, 85-8-615, 85-8-618, 90-5-112, 90-6-309, 90-6-310, AND 90-6-403, MCA; REPEALING SECTIONS 7-6-2514 AND 15-10-412, MCA; PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Procedure for calculating levy.** (1) A governmental entity authorized to impose a levy shall calculate the number of mills required to generate the amount of property tax actually collected in the governmental unit in the prior year.

(2) A governmental entity shall apply the levy calculated pursuant to subsection (1) plus any additional levies authorized by the voters to all property in the governmental unit.

(3) A governmental unit shall refund or credit to the property taxpayers in the governmental unit any amount of property tax collected in the governmental unit in excess of the amount of property tax collected in the prior year that is not attributable to:

(a) improvements made to property located in the governmental unit;

(b) taxable personal property being moved into the governmental unit;

(c) the boundary of a governmental unit being extended;

(d) levies authorized by the voters of the governmental unit;

(e) bonds authorized by the voters of the governmental unit.

(4) A refund or credit required by subsection (3) must be prorated to all property taxpayers who paid property taxes in the prior year and who continue to have a property tax liability in the current year. The refund or credit made pursuant to subsection (3) must be made within 1 year after the prior year's tax payment deadline. A refund must include an amount for interest on the excess at the rate of 10% a year. A credit on the following year's tax liability must include an additional amount to provide interest at the rate of 10% a year on the amount of credit calculated pursuant to this subsection.

Section 2. Section 2-9-212, MCA, is amended to read:

"**2-9-212. Political subdivision tax levy to pay premiums.** ~~Notwithstanding any provisions of law to the contrary~~ Subject to [section 1], a political subdivision, except for a school district, may levy an annual property tax in the amount necessary to fund the premium for insurance, deductible reserve fund, and self-insurance reserve fund as ~~herein~~ authorized in this section and to pay the principal and interest on bonds or notes issued pursuant to 2-9-211(5)~~, even though as a result of such levy the maximum levy as otherwise restricted by law is exceeded thereby, provided that the revenues derived therefrom may not be used for any other purpose~~."

Section 3. Section 2-9-316, MCA, is amended to read:

"**2-9-316. Judgments against governmental entities except state.** Except as provided in 15-1-402 and [section 1], a political subdivision of the state shall satisfy a final judgment out of funds that may be available from the following sources:

(1) insurance;

(2) the general fund or any other funds legally available to the governing body;

(3) a property tax, otherwise properly authorized by law, collected by a special levy authorized by law, in an amount necessary to pay any unpaid portion of the judgment, except that ~~such~~ the levy may not exceed 10 mills;

(4) proceeds from the sale of bonds issued by a county, city, or school district for the purpose of deriving revenue for the payment of the judgment liability. ~~The governing body of a county, city, or school district is hereby authorized to issue such bonds pursuant to procedures established by law.~~ Property taxes may be levied to amortize ~~such~~ bonds, provided the levy for payment of ~~any such~~ the bonds or judgments may not exceed, in the aggregate, 10 mills annually."

Section 4. Section 7-1-112, MCA, is amended to read:

"**7-1-112. Powers requiring delegation.** A local government with self-government powers is prohibited the exercise of the following powers unless the power is specifically delegated by law:

(1) the power to authorize a tax on income or the sale of goods or services, except that, subject to [section 1], this section ~~shall~~ may not be construed to limit the authority of a local government to levy any other tax or establish the rate of any other tax;

(2) the power to regulate private activity beyond its geographic limits;

(3) the power to impose a duty on another unit of local government, except that nothing in this limitation ~~shall affect~~ affects the right of a self-government unit to enter into and enforce an agreement on interlocal cooperation;

(4) the power to exercise any judicial function, except as an incident to the exercise of an independent self-government administrative power;

(5) the power to regulate any form of gambling, lotteries, or gift enterprises."

Section 5. Section 7-1-114, MCA, is amended to read:

"**7-1-114. Mandatory provisions.** (1) A local government with self-government powers is subject to the following provisions:

(a) all state laws providing for the incorporation or disincorporation of cities and towns; for the annexation, disannexation, or exclusion of territory from a city or town; for the creation, abandonment, or boundary alteration of counties; and for city-county consolidation;

(b) Title 7, chapter 3, part 1;

(c) all laws establishing legislative procedures or requirements for units of local government;

(d) all laws regulating the election of local officials;

(e) all laws that require or regulate planning or zoning;

(f) any law directing or requiring a local government or any officer or employee of a local government to carry out any function or provide any service;

(g) any law regulating the budget, finance, or borrowing procedures and powers of local governments, except that the mill levy limits established by ~~state law do not~~ [section 1] apply;

(h) Title 70, chapters 30 and 31.

(2) These provisions are a prohibition on the self-government unit acting other than as provided."

Section 6. Section 7-1-2103, MCA, is amended to read:

"7-1-2103. **County powers.** A county has power to:

(1) sue and be sued;

(2) purchase and hold lands within its limits;

(3) make ~~such~~ contracts and purchase and hold ~~such~~ personal property ~~as~~ that may be necessary

to the exercise of its powers;

(4) make ~~such~~ orders for the disposition or use of its property ~~as~~ that the interests of its inhabitants require;

(5) subject to [section 1], levy and collect ~~such~~ taxes for the purposes under its exclusive jurisdiction ~~as~~ that are authorized by ~~this code or by special statutes~~ law."

Section 7. Section 7-1-4123, MCA, is amended to read:

"**7-1-4123. Legislative powers.** A municipality with general powers has the legislative power, subject to the provisions of state law, to adopt, amend, and repeal ordinances and resolutions required to:

(1) preserve peace and order and secure freedom from dangerous or noxious activities;

(2) secure and promote the general public health and welfare;

(3) provide any service or perform any function authorized or required by state law;

(4) exercise any power granted by state law;

(5) subject to [section 1], levy any tax authorized by state law;

(6) appropriate public funds;

(7) impose a special assessment reasonably related to the cost of any special service or special benefit provided by the municipality or impose a fee for the provision of a service;

(8) grant franchises; and

(9) provide for its own organization and the management of its affairs."

Section 8. Section 7-2-2246, MCA, is amended to read:

"**7-2-2246. Settlement between counties following adjustment of indebtedness.** (1) The sum of ~~said~~ the ascertained value of the property referred to in 7-2-2245 added to the ascertained proportion of the excess referred to in 7-2-2245 ~~which~~ that the new county is to pay the old county and its proportion of the expense of ~~said~~ the election~~, as aforesaid, shall be~~ is an indebtedness from the new county to the old county, and the property situated~~, as aforesaid,~~ in the new county ~~shall~~ must, upon settlement ~~therefor~~ as provided in this part, become the property of the new county, and the old county shall pay the entire indebtedness against it.

(2) If, upon the settlement between the old and the new counties, ~~as herein provided for,~~ the new

county ~~shall be~~ is found to be indebted to the old county or either of the old counties, subject to [section 1], the money necessary to pay ~~said~~ the indebtedness ~~shall~~ must be raised by a tax levied upon the property contained in ~~said~~ the new county and ~~said~~ the new county shall pay the ~~same~~ indebtedness. ~~Such~~ The payment by ~~said~~ the new county may be made in not more than three equal annual payments or by funds to be derived from the sale of bonds of ~~said~~ the new county, as may be determined by a ~~resolution of the board of county commissioners of said~~ vote in the new county ~~adopted within 1 year~~ after the receipt of the statement from the board of commissioners~~, as aforesaid,~~ of the amount or amounts due from it.

(3) If the value of the property belonging to the old county exceeds the indebtedness of the old county, then the old county shall pay to the new county a ~~due~~ proportion of ~~such~~ the excess~~,~~. ~~which~~ The proportion ~~shall~~ must be determined by the board of county commissioners and ~~shall~~ must be paid by the old county to the new county in the same manner and subject to the same conditions ~~herein~~ provided for payment by the new county to the old county when the indebtedness of the old county exceeds the value of the property in the old county."

Section 9. Section 7-2-2730, MCA, is amended to read:

"**7-2-2730. Establishment of special warrant district or special funding bond district in continuing county.** (1) After all warrants have been drawn and issued against the funds of ~~such~~ the adjoining county to pay the claims and demands existing against ~~such~~ the county on the date when the territory of ~~such~~ the abandoned and abolished county was attached to ~~such~~ the adjoining county, all money in the funds of ~~such~~ the adjoining county ~~shall~~ must be used and applied in payment of the warrants drawn against its respective funds. If ~~such~~ the money is not sufficient to pay all of ~~such~~ the warrants, with ~~the~~ interest ~~thereon~~, then the board of county commissioners shall make an order creating a special warrant district and shall include within ~~such~~ the district all of the territory of ~~such~~ the adjoining county but ~~shall~~ may not include ~~therein~~ any of the territory of ~~such~~ the abandoned and abolished county~~, and shall, thereafter and at the~~ Subject to [section 1], at the time of making levies for county purposes, the board of county commissioners shall levy a special tax against all taxable property in ~~such~~ the district to pay the warrants, with interest ~~thereon~~, outstanding against the funds of ~~said~~ the county. ~~The board may in its discretion extend such~~ Subject to [section 1], the tax levy may extend over a period ~~of~~ not to exceed 3 years.

(2) (a) If it ~~shall appear~~ appears to the board that it will require too large a tax levy to pay ~~such~~

the warrant indebtedness, with interest ~~thereon~~, within 3 years, ~~such~~ the board, instead of creating a special warrant district, ~~shall create and establish a~~ may submit to the voters the creation of a special funding bond district ~~and shall include within the boundaries thereof all of the territory within such adjoining county but shall not include therein any of the territory of the abandoned and abolished county attached to such adjoining county. After all money in the several funds of said county applicable thereto has been applied in payment of such outstanding warrants and interest thereon and without submitting the question of doing so to an election, such board may issue bonds in an amount sufficient to pay and redeem all such warrants remaining outstanding, with interest thereon.~~

(b) ~~Such~~ The bonds ~~shall~~ must be issued in the name of ~~said~~ the adjoining county and shall contain recitals to the effect that the principal and interest ~~thereof~~ will be paid by ~~millage~~ tax levies against the property situated within the boundaries of ~~said~~ the county as the ~~same~~ boundaries existed before the territory of ~~such~~ the abandoned and abolished county was attached ~~thereto~~ and that none of the property within the territory of ~~such~~ the abandoned and abolished county will be subjected to ~~such~~ the levies. Except as otherwise provided ~~herein~~ in this section, ~~said~~ the bonds ~~shall~~ must be issued and sold and tax levies ~~shall be fixed and~~ made to pay the principal and interest ~~thereof as the same becomes due~~ on the bonds in the manner provided by 7-7-107, 7-7-108, 7-7-123, 7-7-124, 7-7-2104, 7-7-2106, and parts 22 and 23 of chapter 7 and all the provisions ~~thereof~~, ~~so far~~ as applicable ~~thereto~~, ~~shall~~ apply to ~~such~~ the bonds."

Section 10. Section 7-2-2743, MCA, is amended to read:

"**7-2-2743. Collection of taxes and other money.** ~~Taxes~~ Subject to [section 1], taxes levied for all ~~such~~ funds ~~which~~ that were delinquent on the day ~~when such~~ the county ceased to exist and for which tax sales had not been held and all ~~licenses and~~ other money owing to ~~such~~ the county at ~~such~~ that time ~~shall~~ must be collected by the treasurer of the county designated in the petition for abandonment as the county to which its territory is to be attached and become a part and placed in and deposited to the credit of the funds of ~~such~~ the abandoned and abolished county to which the same properly belong."

Section 11. Section 7-2-2746, MCA, is amended to read:

"**7-2-2746. Details relating to special warrant district.** (1) ~~The~~ Subject to [section 1], the board of county commissioners creating a special warrant district shall, ~~thereafter and~~ at the time of making

and fixing tax levies for county purposes, make and fix a levy against all taxable property within ~~such~~ the special warrant district for the payment of ~~said~~ warrants and the interest ~~thereon~~ on the warrants. The proceeds of ~~such~~ the levy, when collected, ~~shall~~ must be deposited by the county treasurer in a separate fund ~~which shall~~ that may be used only for the payment of ~~said~~ the warrants and interest ~~and for no other purpose~~.

(2) ~~Said~~ The tax levy ~~need not be made at such a rate as will pay all of said warrants, with interest, in 1 year, but if said board shall deem it for the best interests of the taxpayers owning property within such special warrant district, such levy~~ may be spread over a term authorized by the voters of not more than 3 years."

Section 12. Section 7-2-2749, MCA, is amended to read:

"**7-2-2749. Payment of outstanding bonds of abandoned county.** (1) If any abandoned and abolished county ~~shall have~~ has any bonds outstanding and unpaid at the time it ceases to exist, the territory within the boundaries of ~~such~~ that county as they existed when ~~such~~ the county ~~so~~ ceased to exist shall constitute a special district for the payment ~~thereof~~ of the bonds. ~~The~~ Subject to [section 1], the board of county commissioners of the county designated in the petition for abandonment as the county to which the territory of ~~such~~ the county is to be attached and made a part shall annually levy a tax against all taxable property in ~~such~~ the taxing district sufficient to pay the interest and principal of ~~such~~ the bonds as the ~~same~~ bonds become due, and all of the provisions of 7-7-107, 7-7-108, 7-7-123, 7-7-124, 7-7-2104, 7-7-2106, and parts 22 and 23 of chapter 7 ~~shall~~ apply to, govern, and control the levying and collection of ~~such~~ taxes and the payment of ~~interest and~~ principal of ~~thereof~~ and interest on the bonds by the boards and officers of the county within which ~~such~~ the district is situated.

(2) Any ~~and all~~ money in any bond sinking and interest funds of ~~such~~ the abandoned and abolished county, when transmitted and paid over to the treasurer of the county to which the territory of ~~such~~ the abandoned and abolished county has been attached, ~~shall~~ must be credited to and deposited in a sinking and interest fund. All taxes levied for the payment of ~~such~~ the bonds and interest ~~and~~ that are delinquent at the time ~~such~~ the county ceased to exist, all taxes levied for ~~such~~ the sinking and interest fund in accordance with the provisions of 7-2-2742 through 7-2-2750, and all other money ~~coming to the hands of such county treasurer~~ for the use or benefit of ~~such~~ the abandoned county, when not required for any other purposes under the provisions of this part, ~~shall~~ must be deposited to the credit

of ~~such~~ the sinking and interest fund and used only for the payment of the principal of and interest ~~of such~~ on the bonds ~~and for no other purpose~~."

Section 13. Section 7-3-184, MCA, is amended to read:

"**7-3-184. Financial administration.** (1) A study commission shall prepare a budget for each fiscal year it is in existence and submit it to the local governing body for approval.

(2) (a) ~~For the support of the study commission~~ Subject to [section 1], for each fiscal year the study commission is in existence, each local government under study ~~shall~~ may appropriate an amount necessary to fund the study~~, not to exceed 1 mill, and the local government may levy up to 1 mill in excess of all other mill levies authorized by law to fund the appropriation for the support of the study commission~~.

(b) The local government shall provide office and meeting space and clerical assistance to the study commission. The cost of clerical assistance and other in-kind services provided by the local government may be used to partially fulfill the appropriation ~~requirement~~ provision of subsection (2)(a).

(c) The local government may ~~in its discretion~~ provide additional funds and other assistance.

(3) The study commission may apply for and accept available private, state, and federal money and may accept donations from any source.

(4) All money received by the study commission ~~shall~~ must be deposited with the local government finance administrator. The finance administrator is authorized to disburse appropriated money of the study commission on the study commission's order after approval of the budget by the governing body. Unexpended money of the study commission does not revert to the general fund of the local government at the end of the fiscal year but carries over to the study commission's appropriation for the following fiscal year. Upon termination of the study commission, unexpended money reverts to the general fund of the local government."

Section 14. Section 7-3-1104, MCA, is amended to read:

"**7-3-1104. General powers of consolidated local governments.** A consolidated local government ~~shall have~~ has and may exercise all powers that are conferred on counties, cities, or towns by the constitution and laws of the state. ~~The~~ Subject to [section 1], the consolidated local government may levy all taxes ~~which~~ that counties, cities, and towns are authorized to levy."

Section 15. Section 7-3-1227, MCA, is amended to read:

"**7-3-1227. Petition for initiative.** (1) Any proposed ordinance, except an ordinance making ~~a tax levy or~~ an appropriation, may be submitted to the commission by petition signed by 10% of the qualified electors of the municipality whose names appear on the register of voters on the date when the proposed ordinance is submitted to the commission.

(2) All petition papers circulated with respect to any proposed ordinance ~~shall~~ must be uniform in character and ~~shall~~ must contain the proposed ordinance in full.

(3) Proposed ordinances for repealing any existing ordinance or ordinances, in whole or in part, may be submitted to the commission as provided in 7-3-1227 through 7-3-1229 for initiating ordinances."

Section 16. Section 7-3-1310, MCA, is amended to read:

"**7-3-1310. Limitation on tax levy.** (1) ~~No~~ An ordinance, conforming to [section 1], making the annual tax levy ~~shall~~ must be passed fixing the rate to be levied upon all property within the municipality to defray current expenses~~, including salaries otherwise unprovided for, in excess of the maximum levies prescribed by law for general fund purposes in the county and the cities and towns which have been consolidated into a single government~~.

(2) ~~The tax limit provided by subsection (1) shall apply only to taxes for the purposes therein specified.~~ Taxes required ~~by this part or part 12~~ to be levied on account of the debt of the municipality or any district ~~thereof and special taxes authorized by this part or part 12 or by the general laws of the state shall~~ are not ~~be~~ affected by ~~such~~ the limits~~, nor shall such taxes be considered in determining the limits of taxation fixed by subsection (1)~~."

Section 17. Section 7-3-1311, MCA, is amended to read:

"**7-3-1311. Authority for special taxes and special service districts.** (1) ~~The~~ Subject to [section 1], a municipality ~~shall have the power and authority to~~ may levy special taxes for all purposes ~~which~~ that counties, cities, and towns are authorized to levy by general laws of the state, and all of the provisions of ~~such~~ those laws ~~shall be~~ are applicable to and ~~shall~~ govern and control the municipality in the levying and collection of ~~such~~ the special taxes.

(2) ~~The~~ Subject to [section 1], the commission may by ordinance designate clearly specified

districts in or for which special services are to be performed and may levy upon the property in ~~any such~~ the district ~~such~~ a tax, in addition to any taxes authorized by 7-3-1310(1), as may be necessary with other available funds and grants to pay the cost of ~~such~~ the special service or services. The boundaries of special service districts ~~shall~~ must be regularly reviewed by the commissioners and may be adjusted upon recommendation by an authorized planning body in response to changing population patterns. ~~In no case shall such~~ An additional levy under this section may not be more than 20 mills."

Section 18. Section 7-3-4442, MCA, is amended to read:

"**7-3-4442. Local improvements.** (1) ~~The~~ Subject to [section 1], the commission ~~shall have the power~~ may by ordinance ~~to~~ provide for:

(a) the construction, reconstruction, repair, and maintenance, by contract or directly by the employment of labor, of all things in the nature of local improvements; and

(b) the payment of any part of the cost of any ~~such~~ improvement by levying and collecting special assessments upon abutting, adjacent, and contiguous or other specially benefited property, as provided by general law.

(2) Whenever the payments for ~~such~~ improvements are to extend over a period of years and are to be paid for in installments, the proceedings and all things done in connection with ~~such~~ the improvements ~~are to~~ must be done in strict conformity with the provisions of parts 41 and 42 of chapter 12."

Section 19. Section 7-6-1506, MCA, is amended to read:

"**7-6-1506. Use of resort community tax revenues -- bond issue -- pledge.** (1) Unless otherwise restricted by the voter-approved tax authorization provided for in 7-6-1504, a resort community may appropriate and expend ~~revenues~~ revenue derived from a resort tax for any activity, undertaking, or administrative service that the municipality is authorized by law to perform, including costs resulting from the imposition of the tax.

(2) A resort community may issue bonds to provide, install, or construct any of the public facilities, improvements, or undertakings authorized under 7-7-4101, 7-7-4404, and 7-12-4102. Bonds issued under this section must be authorized by a resolution of the governing body, stating the terms, conditions, and covenants of the municipality as the governing body considers appropriate. The bonds

may be sold at a discount at a public or private sale.

(3) ~~A~~ Subject to [section 1], a resort community may pledge for repayment of bonds issued under this section the ~~revenues~~ revenue derived from a resort tax, special assessments levied for and ~~revenues~~ revenue collected from the facilities, improvements, or undertakings for which the bonds are issued, and any other source of revenue authorized by the legislature to be imposed or collected by the resort community. ~~Such~~ The bonds do not constitute debt for purposes of any statutory debt limitation, provided that in the resolution authorizing the issuance of the bonds the municipality determines that the resort tax ~~revenues~~ revenue, special assessments levied for and ~~revenues~~ revenue from ~~such~~ facilities, improvements, or undertakings, or any other sources of revenue~~, if any,~~ pledged to the payment of the bonds will be sufficient in each year to pay the principal ~~thereof~~ and interest ~~thereon~~ on the bonds when due. Bonds may not be issued pledging proceeds of the resort tax for repayment unless the municipality in the resolution authorizing issuance of the bonds determines that in any fiscal year the annual ~~revenues~~ revenue expected to be derived from the resort tax, less the amount required to reduce property taxes pursuant to 7-6-1507, equals at least 125% of the average amount of the principal and interest payable from the resort tax revenues on the bonds and any other outstanding bonds payable from the resort tax except any bonds to be refunded upon the issuance of the proposed bonds."

Section 20. Section 7-6-2319, MCA, is amended to read:

"**7-6-2319. Determination of fund requirements to be met by tax levy -- exception.** (1) Following the determinations required by 7-6-2318, the board shall determine the amount to be raised by tax levy for each fund by adding the cash balance in the fund at the close of the preceding fiscal year and the amount of the estimated revenue to accrue to the fund during the current fiscal year. It shall then deduct the total amount obtained from the total amount of the appropriations and authorized expenditures from the fund as determined by the board. The amount remaining is the amount necessary to be raised for the fund by tax levy during the current fiscal year.

(2) The board may add to the amount necessary to be raised for any fund by tax levy during the current fiscal year an additional amount as a reserve to meet expenditures to be made from the fund during the months of July to November of the next fiscal year. The amount that may be added to any fund as the reserve may not exceed one-third of the total amount appropriated and authorized to be spent from the fund during the current fiscal year, after deducting from the amount of the appropriations and

authorized expenditures the total amount appropriated and authorized to be spent for election expenses and payment of emergency warrants.

(3) The total amount to be raised by tax levy for any fund during the current fiscal year, including the amount of the reserve and any amount for payment of election expenses and emergency warrants, may not exceed the total amount ~~which~~ that may be raised for the fund by a tax levy ~~which~~ that does not exceed the maximum levy permitted by law to be made for the fund and that complies with [section 1].

(4) This section does not apply to a county that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 21. Section 7-6-2321, MCA, is amended to read:

"**7-6-2321. Fixing of tax levy -- exception.** (1) On or before the second Monday in August and after the approval and adoption of the final budget, the board of county commissioners shall fix the tax levy for each fund at a rate ~~which~~ that will raise the amount set out in the budget as the amount necessary to be raised by tax levy for the fund during the current fiscal year. The taxable valuation of the county for the current fiscal year must be the basis for determining the amount of the tax levy for each fund. ~~Each~~ Subject to [section 1], each tax levy must be at a rate not higher than is required on that basis, without including any amount for anticipated tax delinquency, to produce the amount set out in the budget, without including any amount for anticipated tax delinquency, that is the amount to be raised by tax levy.

(2) The tax levy must be made in the manner provided by 15-10-201.

(3) This section does not apply to a county that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 22. Section 7-6-2345, MCA, is amended to read:

"**7-6-2345. Use of emergency warrants.** (1) All emergency expenditures ~~shall~~ must be made by the issuance of emergency warrants drawn against the fund or funds properly chargeable with ~~such~~ the expenditures. The county treasurer is authorized and directed to pay ~~such~~ the emergency warrants with any money in ~~such~~ the fund or funds available for such purpose. If at any time there ~~shall~~ is not ~~be~~ sufficient money available in ~~such~~ the fund or funds to pay ~~such~~ the warrants, then ~~such~~ the warrants

~~shall~~ must be registered, bear interest, and be called in for payment in the manner provided by law for other county warrants.

(2) The county clerk and recorder shall include in ~~his~~ the annual tabulation ~~to be~~ submitted to the board of county commissioners the total amount of emergency warrants issued during the preceding fiscal year. Subject to the provisions of [section 1] and subsection (3) of this section, the county commissioners shall, in their tax levies, include a levy for each fund sufficient to raise an amount equal to the total amount of ~~such~~ the warrants, if there ~~be~~ are any, remaining unpaid at the close of ~~such~~ the preceding fiscal year because of insufficient money in ~~such~~ the fund to pay the same.

(3) (a) ~~No~~ A levy ~~shall~~ may not be made for any fund in excess of the levy authorized by law to be made ~~therefor~~ for the fund.

(b) The board may submit the question of funding ~~such~~ emergency warrants at any election as provided by law, and if at any ~~such~~ the election the issuing of ~~such~~ the funding bonds ~~be~~ is authorized, it ~~shall~~ is not ~~then be~~ necessary for any levy to be made for the purpose of paying ~~such~~ the emergency warrants."

Section 23. Section 7-6-2348, MCA, is amended to read:

"**7-6-2348. Budgets of appointed boards and commissions -- exemption for bonds.** (1) ~~With~~ Subject to [section 1] and with respect to tax and fee money, the proposed budget of and the number of mills to be assessed by any board, commission, or other governing entity, except a board of trustees of a public library and an airport authority, appointed by a local government are subject to approval by that local government.

(2) If a board, commission, or other governing entity, other than a port authority created under Title 7, chapter 14, part 11, issues bonds and pledges to the payment of the bonds, those taxes, revenue, or fees in accordance with the statutes authorizing the issuance of the bonds, the taxes, revenue, or fees and the levy or appropriation of the taxes, revenue, or fees are not subject to approval by the local government appointing the board, commission, or governing entity."

Section 24. Section 7-6-2501, MCA, is amended to read:

"**7-6-2501. Authorization for county mill levy.** ~~The~~ Subject to [section 1], the board of county commissioners ~~has jurisdiction and power, under such limitations and reservations as are prescribed by~~

~~law, to~~ may levy ~~such~~ a tax annually on the taxable property of the county for county purposes as may be necessary to defray ~~the~~ current expenses ~~thereof, including the salaries otherwise unprovided for,~~ not exceeding 27 mills on each dollar of the taxable valuation for any ~~one~~ 1 year for counties of the fourth, fifth, sixth, and seventh classes and 25 mills on each dollar of the taxable valuation for any ~~one~~ 1 year for counties of the first, second, and third classes and ~~to~~ may levy ~~such~~ taxes as are required to be levied by special or local statutes."

Section 25. Section 7-6-2502, MCA, is amended to read:

"**7-6-2502. Responsibility of county commissioners to fix tax rate and levy tax.** ~~The~~ Subject to [section 1], the board of county commissioners of each county ~~must~~ shall, on the second Monday in August, fix the rate of county taxes and designate the number of mills on each dollar of valuation of property for each fund and ~~must~~ shall levy taxes upon the taxable property of the county."

Section 26. Section 7-6-2511, MCA, is amended to read:

"**7-6-2511. County levy for district court expenses.** ~~The~~ Subject to [section 1], the governing body of each county may each year levy and collect a tax on the taxable property of the county for all district court costs, except those listed in 3-5-211, 3-5-213, and 3-5-215. The tax may not exceed 6 mills in the first- and second-class counties, 5 mills in third- and fourth-class counties, and 4 mills in fifth-, sixth-, and seventh-class counties. ~~These expenses~~ District court costs include but are not limited to salary and benefits for court clerks, court reporters, youth probation officers, and other employees of the district court."

Section 27. Section 7-6-2512, MCA, is amended to read:

"**7-6-2512. County tax levy for health care facilities.** (1) ~~The~~ Subject to [section 1], the board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county to erect, furnish, equip, expand, improve, maintain, and operate county-owned or county-operated health care facilities created under 7-8-2102, 7-34-2201, and 7-34-2502. "Health care facilities" as used in this section has the meaning as defined in 7-34-2201. The combined total number of mills levied under this section and for the county poor fund under 53-2-322 may not exceed 18 mills. A higher levy may be

made upon compliance with 7-6-2531 through 7-6-2537, [section 1], or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district.

(2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care facility, the board of county commissioners may covenant to levy the tax authorized by this section during the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the purpose of any statutory limitation or restriction. The pledge may be made by the board only upon authorization of a majority of the electors of the county voting on the pledge at a general or special election as provided in 7-34-2414."

Section 28. Section 7-6-2513, MCA, is amended to read:

"**7-6-2513. County public safety levy -- purpose.** ~~The~~ Subject to [section 1], the board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax on all property within the county for the purpose of providing for the public safety of citizens. The tax must be used to support county law enforcement services and to maintain county detention centers. Money received from the tax must be placed in a special account to be used for the purposes of this section."

Section 29. Section 7-6-2522, MCA, is amended to read:

"**7-6-2522. All-purpose levy -- maximum.** (1) The all-purpose levy is an annual levy upon the taxable value of all property in the county subject to taxation for county purposes in lieu of the levies specified in 7-6-2523. ~~The~~ Subject to [section 1], the all-purpose levy may not exceed the lesser of:

(a) 55 mills on the dollar; or

(b) the total number of mills levied in the prior year pursuant to the levies set forth in 7-6-2523 as certified by the department of revenue under 15-10-202.

(2) If the county governing body determines that the interests of the county would be served by an all-purpose levy, it shall specify its intent to impose the all-purpose levy in the resolution approving and adopting the annual budget."

Section 30. Section 7-6-4209, MCA, is amended to read:

"**7-6-4209. Manner of making payment for judgments against municipalities.** (1) On receipt of the certificate of a justice of the peace or the clerk of the court in which any judgment is rendered, showing the amount of a judgment against a municipality and the date of its entry, the governing body shall direct that the amount of the judgment be paid from the general fund if there is sufficient money in the general fund to pay the judgment, exclusive of the appropriations for the current fiscal year.

(2) ~~The~~ Subject to [section 1], the governing body shall at the proper times levy and cause to be collected a tax on all the property of the municipality for the payment of the judgment within a period of 3 years from its presentation if there is not sufficient money, as provided in subsection (1), in the general fund to pay the judgment.

(3) This section does not apply to a municipality that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 31. Section 7-6-4232, MCA, is amended to read:

"**7-6-4232. Fixing of tax levy -- exception.** (1) On or before the second Monday in August and after the approval and adoption of the final budget, the council shall, subject to [section 1], fix the tax levy for each fund at a rate, not exceeding limits prescribed by law, that will raise the amount set out in the budget as the amount necessary to be raised by tax levy for that fund during the current fiscal year. The taxable valuation of the city for the current fiscal year must be the basis for determining the amount of the tax levy for each fund, and each tax levy must be at a rate not higher than is required on that basis, without including any amount for anticipated tax delinquency, to raise the amount set out in the budget.

(2) If the council considers that a levy made for a bond sinking or interest fund will not provide a sufficient amount to pay all bond principal and interest becoming due during the current fiscal year or within 6 months after the current fiscal year because of anticipated tax delinquency, the council may fix the levy at a rate it considers necessary to raise the amount for making the payments of principal and interest over and above the anticipated tax delinquency.

(3) Each levy must be made in the manner provided by 15-10-201.

(4) This section does not apply to a municipality that has adopted the alternative accounting

method provided for in Title 7, chapter 6, part 6."

Section 32. Section 7-6-4259, MCA, is amended to read:

"**7-6-4259. Budgets of appointed boards and commissions -- exemption for bonds.** (1) ~~With~~ Subject to [section 1] and with respect to tax and fee money, the proposed budget of and the number of mills to be assessed by any board, commission, or other governing entity, except a board of trustees of a public library and an airport authority, appointed by a local government are subject to approval by that local government.

(2) If a board, commission, or other governing entity, other than a port authority created under Title 7, chapter 14, part 11, issues bonds and pledges to the payment of the bonds~~,~~ those taxes, revenue, or fees in accordance with the statutes authorizing the issuance of the bonds, the taxes, revenue, or fees and the levy or appropriation of the taxes, revenue, or fees are not subject to approval by the local government appointing the board, commission, or governing entity."

Section 33. Section 7-6-4261, MCA, is amended to read:

"**7-6-4261. Determination of fund requirements to be met by tax levy.** (1) Following the determinations required by 7-6-4260, the governing body shall determine the amount to be raised for each fund for which a tax levy is to be made by adding the cash balance in excess of outstanding unpaid warrants at the close of the preceding fiscal year and the amount of the estimated ~~revenues~~ revenue, if any, to accrue to the fund during the current fiscal year. It shall then deduct the total amount obtained from the total amount of the appropriations and authorized expenditures from the fund as determined by the governing body in the budget adopted and approved. The amount remaining is the amount necessary to be raised for any fund by tax levy during the current fiscal year.

(2) ~~The~~ Subject to [section 1], the governing body may add to the amount necessary to be raised for any fund by tax levy during the current fiscal year an additional amount as a reserve to meet expenditures to be made from the fund during the months of July to November of the next fiscal year. The [illegible]signated amount held as a reserve may not exceed one-half of the total amount appropriated and authorized to be spent from the fund during the current fiscal year, after deducting from the amount of the appropriations and authorized expenditures the total amount appropriated and authorized to be spent for election expenses and payment of emergency and other outstanding warrants.

(3) The total amount to be raised by tax levy for any fund during the current fiscal year, including the amount of the reserve, may not exceed the total amount that may be raised for the fund by a tax levy that does not exceed the maximum levy permitted by law to be made for the fund.

(4) This section does not apply to a municipality that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 34. Section 7-6-4272, MCA, is amended to read:

"**7-6-4272. Emergency expenditures.** (1) All emergency expenditures must be charged to the emergency budget appropriations adopted by a three-fourths majority of the members present at a meeting of a governing body.

(2) Emergency expenditures may be made by the issuance of checks or warrants drawn on the municipal treasury. The municipality is authorized and directed to pay the checks or warrants with any money available for that purpose. If at any time there is insufficient money available to pay the emergency expenditures, then emergency warrants must be issued and registered, must bear interest, and must be called for payment in the manner provided by law for other municipal warrants.

(3) The finance officer shall include in the preliminary annual operating budget to be submitted to the governing body the total amount of emergency warrants issued during the preceding fiscal year that remain unpaid. Subject to the provisions of [section 1] and this section, the governing body shall, in the tax levies, include a levy for each fund sufficient to raise an amount equal to the total amount of any emergency warrants remaining unpaid at the close of the preceding fiscal year because of insufficient money in the fund to pay the warrants.

(4) (a) A levy may not be made for any fund in excess of the levy authorized by law to be made for the fund.

(b) The governing body may submit the question of funding the emergency warrants at an election as provided by law. If possible, the election must be held in conjunction with a regular or primary election. If at the election the issuing of the funding bonds is authorized, it is not necessary for any levy to be made for the purpose of paying the emergency warrants.

(5) This section does not apply to a municipality that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 35. Section 7-6-4401, MCA, is amended to read:

"**7-6-4401. General taxing power of municipalities.** ~~The~~ Subject to [section 1], the city or town council ~~has power to~~ may levy and collect taxes for general and special purposes on all property within the ~~town or~~ city or town subject to taxation under the laws of the state."

Section 36. Section 7-6-4405, MCA, is amended to read:

"**7-6-4405. Limitation on tax levy for general municipal or administrative purposes.** ~~The~~ Subject to [section 1], the amount of taxes to be levied for general municipal or administrative purposes in ~~cities and towns~~ a city or town may not exceed 2.4% of the taxable value of the property of the city or town subject to taxation."

Section 37. Section 7-6-4406, MCA, is amended to read:

"**7-6-4405. Authority to levy special taxes and assessments.** ~~The~~ Subject to [section 1], the council may ~~also~~ assess and levy the special taxes or assessments provided for in this title."

Section 38. Section 7-6-4407, MCA, is amended to read:

"**7-6-4407. Resolution to fix annual tax levy.** (1) ~~The~~ Subject to [section 1], the council ~~must~~ shall:

(a) on or before the second Monday of August of each year, by resolution determine the amount of the city or town taxes for all purposes to be levied and assessed on the taxable property in the city or town for the current fiscal year; and

(b) on or before the fourth Monday of August of each year, by resolution determine the amount of school district taxes for all purposes to be levied and assessed on the taxable property in the city or town for the current fiscal year.

(2) (a) Except as provided in subsection (2)(b), the city or town clerk ~~must~~ shall at once certify to the county clerk a copy of the resolution, and the county treasurer ~~must~~ shall collect the taxes as provided in this part.

(b) In cities where the council has provided by ordinance for the collection of the taxes by the city treasurer, the city clerk ~~must~~ shall certify a copy of the resolution to the city treasurer."

Section 39. Section 7-6-4421, MCA, is amended to read:

"**7-6-4421. Authorization for tax levy and collection by municipality.** (1) ~~The~~ Subject to [section 1], the council has power to annually levy and collect taxes on all the property in the city or town taxable for state and county purposes and may by ordinance provide for the levy and collection of the ~~same~~ taxes.

(2) Until the passage of ~~such~~ the ordinance, the levy and collection of municipal taxes are and the proceedings for ~~such~~ those purposes must be as provided in this part."

Section 40. Section 7-6-4438, MCA, is amended to read:

"**7-6-4438. Tax levy and expenditures for municipal and administrative purposes when limits on municipal indebtedness exceeded.** (1) ~~All~~ Subject to [section 1], taxes levied and collected for municipal and administrative purposes by any city or town in which the indebtedness equals or exceeds the limit allowed by statute may be used in payment of current expenses during the fiscal year for which the taxes were levied~~,~~ as if a special levy had been made for each of the purposes. The council of ~~any such~~ the city or town may designate the amount of the general levy applicable to each of the purposes. The amount ~~so~~ designated constitutes a special fund for the special purpose of paying the expenses incurred for the purpose. The expenses ~~shall be~~ are payable only out of the fund ~~and not otherwise~~.

(2) However, the aggregate of all taxes authorized for general municipal and administrative purposes may not exceed 1.5% annually of the taxable value of all property subject to taxation in the city or town.

(3) ~~Any~~ Subject to [section 1], a city, the indebtedness of which equals or exceeds the limit allowed by statute, may levy and collect special taxes for municipal and administrative purposes, and the city council in making special levies shall designate the amount ~~thereof~~ for each of the purposes~~, and each~~. Each tax, when collected, constitutes a fund out of which the expenses incurred for the purpose for which the tax was levied ~~shall~~ must be paid. The expenses incurred for any particular purpose ~~shall~~ may be paid only out of the specified fund ~~provided therefor and not otherwise~~."

Section 41. Section 7-6-4452, MCA, is amended to read:

"**7-6-4452. Maximum all-purpose mill levy.** ~~Except~~ Subject to [section 1] and except as provided ~~elsewhere~~ by law, ~~the~~ cities and towns ~~of the state of Montana~~ may make an all-purpose annual levy upon the taxable value of all the property in the cities and towns subject to taxation for municipal

purposes in lieu of the multiple levies ~~now~~ authorized by statute. The total of the all-purpose levy may not exceed 65 mills on the dollar."

Section 42. Section 7-6-4453, MCA, is amended to read:

"**7-6-4453. Certain special mill levies also available.** (1) The all-purpose mill levy ~~shall not and may~~ does not include the levies imposed for bonded indebtedness, to pay judgments or tax protest refunds, or for special improvement district revolving funds of municipalities~~;~~. ~~which~~ Subject to [section 1], additional levies may be made in addition to the all-purpose levy, as provided in subsection (2). Sections 7-6-4451 through 7-6-4455 ~~shall~~ may not be construed as repealing those statutes providing for multiple separate levies.

(2) Extraordinary levies otherwise authorized to pay for bonded indebtedness, judgments, tax protest refunds, or special improvement district revolving funds may be made by ~~such~~ municipalities in addition to ~~such~~ the all-purpose levy provided for in 7-6-4451 through 7-6-4455.

(3) In a third-class city or town, the all-purpose mill levy may not include the special tax levy for the firefighters' disability and pension fund provided for in 19-18-503. This special tax levy must be made in addition to the all-purpose mill levy."

Section 43. Section 7-7-2202, MCA, is amended to read:

"**7-7-2202. Authority to issue general obligation bonds to satisfy judgments.** (1) ~~The~~ Subject to [section 1], the board of county commissioners ~~of every county of the state is hereby vested with the power and authority to~~ may issue, negotiate, and sell coupon bonds on the credit of the county~~, as more specifically provided in this part,~~ for the purpose of funding, paying in full, or compromising, settling, and satisfying any judgment ~~which~~ that may have been rendered against the county in a court of competent jurisdiction, including the repayment of tax protests lost by the county, when:

(a) there are not sufficient funds available to pay ~~such~~ the judgment; and

(b) sufficient money cannot be raised to satisfy ~~such~~ the judgment by an annual tax levy of 10 mills authorized by the voters and levied on all the taxable property within the county through a period of 3 years.

(2) The resolution providing for the issue of ~~such~~ the bonds must recite the facts concerning the judgment to be funded and the terms of any compromise agreement ~~which~~ that may have been entered

into between the board and the judgment creditor."

Section 44. Section 7-11-1106, MCA, is amended to read:

"**7-11-1106. Ordinance and petition requirements.** An ordinance or petition for an ordinance to authorize a multijurisdictional service district must include:

(1) the name of the proposed district;

(2) the services to be provided by the proposed district;

(3) a statement of convenience and necessity;

(4) a boundary map of the proposed district;

(5) estimated costs of services and methods of financing the district;

(6) the method of administering the proposed district; and

(7) subject to [section 1], the maximum property tax mill levy for property taxes in the district."

Section 45. Section 7-11-1112, MCA, is amended to read:

"**7-11-1112. Financing.** (1) ~~Local~~ Subject to [section 1], local governments organizing a multijurisdictional service district are authorized to levy property taxes in an amount not to exceed that authorized for the district in 7-11-1106~~,~~ and to appropriate funds derived from other than general tax revenues for the operation of the district. ~~Property~~ Subject to [section 1], property taxes levied for a library established under this part as a multijurisdictional service must be added to taxes levied under 22-1-304.

(2) A property tax levied for the purpose of financing the district must, for all agricultural property having an area greater than 10 acres, be levied only on the principal residential dwelling, if any, on ~~such~~ the property."

Section 46. Section 7-12-1132, MCA, is amended to read:

"**7-12-1132. Annual budget and work plan -- approval -- procedure -- tax.** (1) At a time determined by the governing body, the board shall submit to the governing body for approval a work plan and budget for the ensuing fiscal year.

(2) Following public notice that a work plan and budget have been submitted and that the governing body will levy an assessment to defray the cost of the work plan and budget, the governing

body shall hold a public hearing on objections to the work plan and budget. After the hearing, the governing body may modify the work plan and budget as it considers necessary and appropriate.

(3) ~~After~~ Subject to [section 1] and after approval of the work plan and budget and to defray the cost ~~thereof~~ for the next fiscal year, the governing body shall by resolution levy an assessment upon all of the property in the district using as a basis one of the methods prescribed in 7-12-1133.

(4) A copy of the resolution ~~shall~~ must be delivered to the treasurer of the local government to be placed on the tax roll, and the assessment must be collected in the same manner as other taxes."

Section 47. Section 7-12-1133, MCA, is amended to read:

"**7-12-1133. Assessment of costs -- area, lot, taxable valuation, and square footage options.** (1) At the same time that the board submits the annual budget and work plan to the governing body as provided in 7-12-1132, the board shall also recommend to the governing body a method of levying an assessment on the property within the district ~~which~~ that will best ensure that the assessment on each lot or parcel is equitable in proportion to the benefits to be received.

(2) The governing body shall annually assess the entire cost of the district against the entire district using a method ~~which~~ that best ensures that the assessment on each lot or parcel is equitable in proportion to the benefits to be received. In determining the method of assessment to be used, the governing body shall consider the recommendations of the board. ~~The~~ Subject to [section 1], the governing board shall levy the assessment using one of the following methods:

(a) each lot or parcel of land within ~~such~~ the district may be assessed for that part of the whole cost ~~which~~ that its area bears to the area of the entire district, exclusive of streets, avenues, alleys, and public places;

(b) if the governing body determines that the benefits derived by each lot or parcel are substantially equivalent, the cost may be assessed equally to each lot or parcel located within the district without regard to the area of the lot or parcel;

(c) each lot or parcel of land, including the improvements ~~thereon~~ on the lot or parcel, may be assessed for that part of the whole cost of the district ~~which~~ that its taxable valuation bears to the total taxable valuation of the property of the district;

(d) each building may be assessed for that part of the whole cost of the district that the occupied or income-producing area of the building above the first floor bears to the area of the entire district; or

(e) by using any combination of the assessment options provided in subsections (2)(a) through (2)(d).

(3) If a district is expanded, the land within the expanded area must be assessed as provided for in subsection (2) for the duration of the district."

Section 48. Section 7-12-2154, MCA, is amended to read:

"**7-12-2154. Payment of damages incurred as a result of improvements.** Whenever the owner or anyone interested in any property situated in the special improvement district, after filing with the county clerk a written notice claiming that ~~his~~ the person's property has been damaged, is awarded or recovers any amount because of damages sustained by the property because of the construction of any improvement in the special improvement district:

(1) before the resolution levying the assessment to defray the cost of making the improvement in the district is passed and adopted by the board of county commissioners, subject to [section 1], the amount ordered to be recovered ~~shall~~ must be added to and constitute a part of making the improvements; but

(2) subject to [section 1], if the resolution levying the assessment to defray the cost and expenses of making the improvement has been passed and adopted by the board, it shall pass and adopt a supplemental resolution levying an additional assessment against the property in the district for the purpose of paying the amount awarded and the supplemental resolution ~~shall~~ must be made in the same manner and prepared and certified the same as the original resolution levying the assessment to defray the cost of making the improvements."

Section 49. Section 7-12-2158, MCA, is amended to read:

"**7-12-2158. Resolution for levy and assessment of tax.** (1) ~~To~~ Subject to [section 1] and to defray the cost of making or acquiring improvements in any special improvement district, the board of county commissioners shall by resolution levy and assess a tax upon all benefited property in the district created for ~~such~~ the specified purpose~~,~~ by using for a basis for ~~such~~ the assessment the method or methods provided for by this part and described in the resolution of intention.

(2) ~~Such~~ The resolution ~~shall~~ must contain a description of each lot or parcel of land, with the name of the owner if known, and the amount of each partial payment, when made, and the day when

the ~~same shall~~ payment will become delinquent.

(3) ~~Such~~ The resolution, signed by the ~~chairman~~ presiding officer of the board, ~~shall~~ must be kept on file in the office of the county clerk."

Section 50. Section 7-12-2161, MCA, is amended to read:

"**7-12-2161. Payment of maintenance costs -- resolution for assessment and for change of boundaries -- assessment for administrative costs.** (1) It is the duty of the board of county commissioners to estimate, as near as practicable, the cost of maintaining, preserving, or repairing the improvements in each district for each year beginning January 1 or another time as it may appear necessary.

(2) ~~Before~~ Subject to [section 1] and before the first Monday in September of each year, the board shall pass and finally adopt a resolution levying and assessing all the property within the district with an amount equal to the whole cost of maintaining, preserving, or repairing the improvements within the district. The assessment must be proportioned as provided in 7-12-2108.

(3) The resolution levying assessments to defray the cost of maintenance, preservation, or repair of improvements must be prepared and certified to in substantially the same manner as a resolution levying assessments for making, constructing, and installing the improvements in the special improvement district.

(4) ~~The~~ Subject to [section 1], the board may change by resolution, not more than once a year, the boundaries of any maintenance district.

(5) The board shall include in the estimated cost of maintaining the district the lesser of $500 or 5% of the annual assessment of the district. The amount determined by the board under this subsection is to defray the costs incurred by the county in administering the maintenance district and is a cost of maintenance. The board shall annually pay the amount determined under this subsection to the county treasurer for deposit in the county general fund."

Section 51. Section 7-12-2165, MCA, is amended to read:

"**7-12-2165. Procedure to correct assessment and relevy and collect tax.** (1) ~~Whenever~~ Subject to [section 1], whenever, by reason of any alleged nonconformity to law or by reason of any omission or irregularity, any special tax or assessment is either invalid or its validity is questioned, the board of county commissioners may make all necessary orders and may take all necessary steps to correct, reassess, and

relevy the same, including the ordering of work, with the same force and effect as if made at the time provided by the law or resolution relating thereto. The board may reassess and relevy the tax or assessment with the same force and effect as an original levy.

(2) Any special tax, upon reassessment or relevy, ~~shall~~ must, so far as practicable, be levied and collected the same as it would have been if the first levy had been enforced. Any provision of any law specifying a time when or order in which acts ~~shall~~ must be done in a proceeding ~~which~~ that may result in a special tax are subject to the qualifications of this part.

(3) Whenever any apportionment or assessment is made and any property is assessed too little or too much, the assessment may be corrected and reassessed for ~~such~~ the additional amount ~~as~~ that is proper or the assessment may be reduced even to the extent of refunding the tax collected."

Section 52. Section 7-12-2167, MCA, is amended to read:

"**7-12-2167. Term of payment of assessments.** (1) ~~Except~~ Subject to [section 1] and except as provided in subsection (2) of this section, the payment of the assessment to defray the cost of constructing any improvements in special improvement districts may be spread over a term of not to exceed 30 years.

(2) If federal loans are available, payments may be spread over a term of not to exceed 40 years.

(3) The assessments are payable in equal semiannual installments of principal, with interest on the unpaid installments, or if the board of county commissioners so prescribes in the resolution authorizing issuance of the special improvement district bonds, in equal semiannual installments of principal and interest, each in the amount required to pay the principal over the term of payment, with interest at the rate then borne by the assessment.

(4) Any assessment that is not delinquent may be prepaid, in whole but not in part, at any time after the assessment is levied, by the payment of the assessment, with interest accrued and to accrue ~~thereon~~ on the assessment through the next date on which interest on bonds of the special improvement district is payable."

Section 53. Section 7-12-2202, MCA, is amended to read:

"**7-12-2202. Apportionment of costs of maintaining lighting system.** (1) ~~The~~ Subject to [section 1], the cost of the maintenance and operating service to ~~said~~ the rural improvement district for lighting

may be apportioned among the various tracts of land within ~~said~~ the improvement district:

(a) in proportion to the assessed value of ~~said~~ the lands within ~~said~~ the improvement district, as determined by the board of county commissioners;

(b) at the option of ~~said~~ the board and as determined by ~~said~~ the board, in proportion to the lineal front footage of each tract, any part of which is in the district and abuts the street or roadway along which the lighting system is to be maintained; or

(c) in proportion to the area, as determined by ~~said~~ the board, of that portion of each tract included in the district.

(2) (a) Before the first Monday of September of each year, the board shall pass and finally adopt a resolution levying and assessing upon all the property within the district an amount equal to the whole cost of maintaining ~~said~~ the lighting system. The ~~same shall~~ levy and assessment must be proportioned against the several tracts of land in ~~said~~ the district as provided in this part.

(b) ~~Said~~ The resolution levying assessments to defray the cost of maintenance ~~shall~~ must be prepared and certified to in the same manner as ~~near as may be to~~ a resolution levying assessments for making, constructing, and installing the improvements in ~~said~~ special improvement districts."

Section 54. Section 7-12-4102, MCA, is amended to read:

"**7-12-4102. Authorization for creation of special improvement districts.** (1) ~~The~~ Subject to [section 1], the city or town council has power to create special improvement districts, designating them by number; to extend the time for payment of assessments levied upon the districts for district improvements for a period not exceeding 20 years or, if refunding bonds are issued pursuant to 7-12-4194, for a period not exceeding 30 years; to make the assessments payable in installments; and to pay all expenses of whatever character incurred in making the improvements with special improvement warrants or bonds.

(2) Whenever the public interest or convenience requires, the city council may:

(a) create special improvement districts for acquiring by purchase, building, constructing, or maintaining devices intended to protect the safety of the public from open ditches carrying irrigation or other water;

(b) create special improvement districts for acquiring by purchase or building and constructing municipal swimming pools and other recreation facilities;

(c) create special improvement districts and order the whole or a portion, either in length or width, of one or more of the streets, avenues, alleys, or places or public ways of the city:

(i) graded or regraded to the official grade;

(ii) planked or replanked;

(iii) paved or repaved;

(iv) macadamized or remacadamized;

(v) graveled or regraveled;

(vi) piled or repiled;

(vii) capped or recapped;

(viii) surfaced or resurfaced;

(ix) oiled or reoiled;

(d) create special improvement districts and order the acquisition, construction, or reconstruction within the districts of:

(i) sidewalks, crosswalks, culverts, bridges, gutters, curbs, steps, parkings (including the planting of grassplots and setting out of trees);

(ii) sewers, ditches, drains, conduits, and channels for sanitary and/or drainage purposes, with outlets, cesspools, manholes, catchbasins, flush tanks, septic tanks, connecting sewers, ditches, drains, conduits, channels, and other appurtenances;

(iii) waterworks, water mains, and extensions of water mains;

(iv) pipes, hydrants, hose connections for irrigating purposes;

(v) appliances for fire protection;

(vi) tunnels, viaducts, conduits, subways, breakwaters, levees, retaining walls, bulkheads, and walls of rock or other material to protect them from overflow or injury by water;

(vii) the opening of streets, avenues, and alleys and the planting of trees on the streets, avenues, and alleys;

(e) create special improvement districts and order the construction or reconstruction in, over, or through property or rights-of-way owned by the city of:

(i) tunnels, sewers, ditches, drains, conduits, and channels for sanitary ~~and/or~~ or drainage purposes, with necessary outlets, cesspools, manholes, catchbasins, flush tanks, septic tanks, connection sewers, ditches, drains, conduits, channels, and other appurtenances;

(ii) pipes and hose connections for irrigating; hydrants and appliances for fire protection;

(iii) breakwaters, levees, retaining walls, and bulkheads; and

(iv) walls of rock or other material to protect the streets, avenues, lanes, alleys, courts, places, public ways, and other property in the city from overflow by water;

(f) create special improvement districts to make monetary advances or contributions to aid in the construction of additional natural gas and electric distribution lines and telecommunications facilities in order to extend those public utility services;

(g) create special improvement districts and order work to be done that is considered necessary to improve the whole or a portion of the streets, avenues, sidewalks, alleys, places, or public ways, property, or right-of-way of the city;

(h) create special improvement districts to acquire and improve by purchase, gift, bequest, lease, or other means land to be designated as public park or open-space land;

(i) create special improvement districts for the conversion of overhead utilities to underground locations in accordance with 69-4-311 through 69-4-314; and

(j) maintain, preserve, and care for any of the improvements authorized in this section.

(3) The city governing body may order and create special improvement districts covering projects abutting the city limits and include properties outside the city where the special improvement district abuts and benefits that property. Property owners within the proposed district boundaries outside the city may not be included in the special improvement district if 40% of those property owners protest the creation of the special improvement district. The property outside the city must be treated in a similar manner ~~as~~ with regard to improvements, notices, and assessments as the property inside the city limits. A joint resolution of the city and county must be passed agreeing to the terms of the special improvement district prior to passing the resolution of intention or the resolution creating the special improvement district. A copy of the resolution of intention and the resolution creating the special improvement district must be provided to the county commissioners upon the passage of the respective resolutions."

Section 55. Section 7-12-4106, MCA, is amended to read:

"**7-12-4106. Notice of passage of resolution of intention.** (1) Upon having passed the resolution of intention pursuant to 7-12-4104, the council shall give notice of the passage of the resolution of intention.

(2) The notice must be published as provided in 7-1-2121. A copy of the notice must be mailed to each person, firm, or corporation or the agent of the person, firm, or corporation having real property within the proposed district listed in the owner's name upon the last-completed assessment roll for state, county, and school district taxes, at the owner's last-known address, upon the same day that the notice is first published or posted.

(3) (a) The notice must describe the general character of the proposed improvements, state the estimated cost of the improvements, describe generally the method by which the costs of the improvements will be assessed, and designate the time when and the place where the council will hear and pass upon all written protests that may be made against the making or acquisition of the improvements or the creation of the district.

(b) If the revolving fund is to be pledged to secure the payment of bonds and warrants, the notice must include a statement that, subject to the limitations in 7-12-4222:

(i) the general fund of the city or town may be used to provide loans to the revolving fund; or

(ii) subject to [section 1], a general tax levy may be imposed on all taxable property in the city or town to meet the financial requirements of the revolving fund.

(c) The notice must refer to the resolution on file in the office of the city clerk for the description of the boundaries. If the proposal is for the purchase of an existing improvement, the notice must state the exact purchase price of the existing improvement."

Section 56. Section 7-12-4176, MCA, is amended to read:

"**7-12-4176. Resolution for tax levy upon district property.** (1) ~~To~~ Subject to [section 1] and to defray the cost of making or acquiring improvements in any special improvement district or of acquiring property for opening, widening, or extending any street or alley or to defray the cost and expense of changing any grade of any street, avenue, or alley, the city council shall by resolution levy and assess a tax upon all benefited property in any district created for ~~such~~ the authorized purpose, using for a basis for assessment the method or methods set forth in 7-12-4161 through 7-12-4165 and described in the resolution of intention.

(2) ~~Such resolutions shall~~ The resolution must contain a description of each lot and parcel of land, with the name of the owner, if known, the amount of each partial payment to be made, and the day when the ~~same shall~~ payment will become delinquent.

(3) ~~Such~~ The resolution, signed by the mayor and clerk, ~~shall~~ must be kept on file in the office of the city clerk."

Section 57. Section 7-12-4177, MCA, is amended to read:

"**7-12-4177. Notice of resolution for tax levy -- protest and hearing.** (1) A notice signed by the city clerk, stating that the resolution, subject to [section 1], levying the special assessment to defray the cost of ~~such~~ the improvements is on file in ~~his~~ the clerk's office and subject to inspection for a period of 10 days, ~~shall~~ must be:

(a) published at least once in a newspaper published in the city or town;

(b) mailed to the owner of each lot, tract, or parcel of land to be assessed (~~such~~ the lands must be identified and the mailing address determined from the last completed assessment roll for state, county, and school district taxes); and

(c) mailed to ~~such~~ other persons known to the clerk to have an ownership interest in the property.

(2) ~~Such~~ The notice ~~shall~~ must state the time and place at which objections to the final adoption of ~~such~~ the resolution will be heard by the council. The time for ~~such~~ hearing ~~shall~~ may not be less than 10 days after the publication and mailing of ~~such~~ the notice."

Section 58. Section 7-12-4178, MCA, is amended to read:

"**7-12-4178. Hearing on resolution for tax levy.** (1) At the time ~~so~~ fixed, the council shall meet and hear all ~~such~~ objections to the resolution for the levy and for that purpose may adjourn from day to day.

(2) ~~The~~ Subject to [section 1], the council may by resolution modify ~~such~~ the assessment in whole or in part. A copy of ~~such~~ the resolution, certified by the city clerk, must be delivered to the city treasurer within 2 days after its passage."

Section 59. Section 7-12-4179, MCA, is amended to read:

"7-12-4179. **Payment of maintenance costs -- resolution for assessment.** (1) ~~The~~ Subject to [section 1], the cost of maintaining each of the improvements ~~shall~~ must be paid by assessing the benefited properties of the district under a permissible assessment option as provided in 7-12-4162 through 7-12-4165.

(2) It is the duty of the council to estimate, as nearly as practicable, the cost of maintaining the improvements in each district for the season. Before the first Monday in September of each year and subject to [section 1], the council shall pass and finally adopt a resolution levying and assessing all the property within the several districts with an amount equal to the whole cost of maintaining the improvements within the several districts.

(3) The resolution levying assessments to defray the cost of maintenance of the improvement ~~shall~~ must be prepared and certified in the same manner as a resolution levying assessments for making improvements in the special improvement district.

(4) ~~The~~ Subject to [section 1], the council may change by resolution, not more than once a year, the boundaries of any maintenance district, but the change of boundaries may not affect indebtedness existing at the time of the change."

Section 60. Section 7-12-4181, MCA, is amended to read:

"**7-12-4181. Collection of district assessments by county clerk -- certification.** (1) Except as provided in 7-12-4183, in each city or town where taxes for general, municipal, and administrative purposes are certified to and collected by the county treasurer in accordance with the provisions of 7-6-4407 immediately after the second Monday of August of each year, it is the duty of the city treasurer or town clerk to certify, at the same time that the copy of the resolution determining the annual levy for general taxes is certified by the city or town clerk to the county clerk as required by 7-6-4407, to the department of revenue all special assessments and taxes levied and assessed in accordance with any of the provisions of part 42 and this part.

(2) ~~The~~ Subject to [section 1], the department of revenue shall enter the special assessments and taxes upon the property tax record for the county. The county treasurer shall collect all taxes and assessments in the same manner and at the same time as taxes for general, municipal, and administrative purposes are collected."

Section 61. Section 7-12-4186, MCA, is amended to read:

"**7-12-4186. Procedure to correct assessment and relevy and collect tax.** (1) Whenever, by reason of any alleged nonconformity to any law or ordinance or by reason of any omission or irregularity, any special tax or assessment is either invalid or its validity is questioned, the council may make all necessary

orders and ordinances and may take all necessary steps to correct the ~~same~~ tax or assessment and to reassess and relevy the same, including the ordering of work, with the same force and effect as if made at the time provided by law, ordinance, or resolution relating ~~thereto~~ to the tax or assessment. ~~The~~ Subject to [section 1], the council may reassess and relevy the ~~same~~ tax or assessment with the same force and effect as an original levy.

(2) Whenever any apportionment or assessment is made and any property is assessed too little or too much, the ~~same~~ apportionment or assessment may be corrected and reassessed for ~~such~~ an additional amount as may be proper or the assessment may be reduced even to the extent of refunding the tax collected.

(3) Any special tax upon reassessment or relevy ~~shall~~ must, so far as is practicable, be levied and collected as the same would have been if the first levy had been enforced. Any provisions of any law or ordinance specifying a time when or order in which acts ~~shall~~ must be done in a proceeding ~~which~~ that may result in a special tax ~~shall~~ must be taken to be subject to the qualifications of this part or part 42."

Section 62. Section 7-12-4188, MCA, is amended to read:

"**7-12-4188. Due date for district assessments.** (1) ~~All~~ Subject to [section 1], all special assessments or installments of special assessments in cities and towns, ~~duly and regularly~~ levied by resolution according to law, ~~shall be~~ are payable in installments as follows:

(a) one-half of the payment on or before 5 p.m. on November 30 of each year; and

(b) one-half of the payment on or before 5 p.m. on May 31 of the following year.

(2) In the event the ~~same~~ payments are not ~~paid~~ made on or before ~~said~~ the specified dates, the ~~same shall be~~ payments are subject to the same interest and penalties for nonpayment as delinquent property taxes under 15-16-102."

Section 63. Section 7-12-4190, MCA, is amended to read:

"**7-12-4190. Payment of assessments in installments.** (1) ~~The~~ Subject to [section 1], the payment of assessments to defray the cost of acquiring or constructing any improvements in special improvement districts may be spread over a term of not to exceed 20 years.

(2) The assessments are payable in equal semiannual installments of principal, with interest on the unpaid installments, or if the city council or commission ~~so~~ prescribes in the resolution authorizing the

issuance of special improvement district bonds, in equal semiannual installments of principal and interest, each in the amount required to pay the principal over the term of payment, with interest at the rate then borne by the assessment.

(3) Any assessment that is not delinquent may be prepaid, in whole but not in part, at any time after the assessment is levied, by the payment of the assessment, with interest accrued and to accrue ~~thereon~~ on the assessment through the next date on which interest on bonds of the special improvement district is payable."

Section 64. Section 7-12-4192, MCA, is amended to read:

"**7-12-4192. Change in outstanding principal of district -- relevy of assessments.** ~~If~~ Subject to [section 1], if proceeds of the bonds or warrants of the special improvement district, including investment income, are applied to the redemption and prepayment of the bonds or warrants, as provided in 7-12-4205 and 7-12-4206, or if refunding bonds are issued pursuant to 7-12-4194 and the principal amount of the outstanding bonds of the district is decreased or increased, the assessments levied in the district and then outstanding must be reduced or increased, respectively, pro rata by the principal amount of the prepayment or the increment above or below the outstanding principal amount of bonds represented by the refunding bonds. If refunding bonds are issued, the assessments may be relevied over a term ending not later than either the final maturity date of the refunding bonds or the date 30 years after the date the bonds to be refunded were issued. ~~The~~ Subject to [section 1], the city council shall reassess and relevy the assessments, with the same effect as an original levy, in reduced or increased amounts in accordance with the provisions of 7-12-4176 through 7-12-4178."

Section 65. Section 7-12-4222, MCA, is amended to read:

"**7-12-4222. Sources of money for revolving fund.** (1) For the purpose of providing funds for the revolving fund, the city or town council:

(a) may, from time to time, transfer to the revolving fund from the general fund of the city or town an amount ~~as~~ that may be necessary. The amount transferred is a loan from the general fund to the revolving fund.

(b) shall, if the bonds or warrants are secured by the revolving fund pursuant to 7-12-4225, include in the cost of the improvement to be defrayed from the proceeds of the bonds or warrants an

amount equal to 5% of the principal amount of the bonds or warrants as provided in 7-12-4169; and

(c) shall, in addition to a transfer or transfers from the general fund or in lieu of a transfer, levy a tax, subject to [section 1], for the revolving fund ~~a tax~~, declared to be for a public purpose, on all taxable property in the city or town as is necessary to meet the financial requirements of the revolving fund. A tax may not be levied if the balance in the revolving fund exceeds 5% of the principal amount of the then-outstanding special improvement district bonds and warrants secured by the revolving fund. If a tax is levied, the tax may not be an amount that would increase the balance in the revolving fund above 5% of the then-outstanding special improvement district bonds and warrants secured by the revolving fund.

(2) Whenever there is money in the district fund that is not required for payment of any bond or warrant of the district secured by the revolving fund or of interest on the bond or warrant, as much of the money as may be necessary to pay the loan provided for in 7-12-4223 must, by order of the council, be transferred to the revolving fund. After all the bonds and warrants issued on any special improvement district or sidewalk, curb, and alley approach warrants secured by the revolving fund have been fully paid, all money remaining in the district fund must, by order of the council, be transferred to and become part of the revolving fund."

Section 66. Section 7-12-4225, MCA, is amended to read:

"**7-12-4225. Covenants to use revolving fund -- duration of revolving fund obligation -- factors to be considered.** (1) In connection with the issuance of special improvement district bonds or sidewalk, curb, and alley approach warrants, the city or town council may undertake and agree:

(a) to make loans or advances from the revolving fund to the district fund involved in amounts sufficient to make good any deficiency in the bond and interest accounts, to the extent that funds are available; and

(b) subject to 7-12-4222 to provide funds for the revolving fund pursuant to the provisions of 7-12-4222(1) by:

(i) annually making a tax levy, subject to [section 1]; ~~for, in lieu of the tax levy,~~

(ii) annually making a loan from the general fund~~), subject to the maximum limitations imposed by 7-12-4222(1)~~.

(2) The undertakings and agreements referred to in subsection (1) are binding upon the city or

town with respect to the special improvement district bonds or sidewalk, curb, and alley approach warrants until the earlier of:

(a) the date on which all bonds or warrants of the issue and interest on the bonds or warrants have been fully paid or discharged in a bankruptcy case in which the special improvement district is the debtor; or

(b) the date that is the later of:

(i) the final stated maturity date of the bonds or warrants; or

(ii) the date on which all special assessments levied in the district have been either paid or discharged.

(3) The discharge of delinquent special assessments levied with respect to a particular lot or parcel is considered to have occurred upon:

(a) the issuance of a tax deed, as provided in 15-18-214, or, if the county is the recipient of the tax deed, upon the sale, lease, or other disposition of the property by the county as provided in Title 7, chapter 8, part 22, 23, 24, or 25, or other applicable law;

(b) the discharge of the trust pursuant to 15-17-318 or upon the sale or lease of the property under 15-17-319 if the property in the district has been assigned to the city or town under Title 15, chapter 17, part 3; or

(c) payment in full of the allowed secured claim for the special assessments in a bankruptcy case in which the owner of the lot or parcel is the debtor.

(4) Prior to entering into the undertakings and agreements set forth in subsection (1), the city or town council shall take into consideration the following factors, including other circumstances that the city or town council may determine to be material to the public interest of securing the bonds or warrants by the revolving fund:

(a) the estimated market value of the lots, parcels, or tracts included in the district at the time that the district is created in comparison to the estimated market value of the lots, parcels, or tracts after the improvements are made;

(b) the diversity of ownership of property in the district;

(c) the amount of the special assessments proposed to be levied against each lot, parcel, or tract in the district in comparison to the estimated market value of the lot, parcel, or tract after the improvements are made;

(d) the amount of any outstanding special assessments against the property in the district;

(e) the amount of delinquencies in the payment of outstanding special assessments or property taxes levied against property in the district;

(f) the public benefit of the improvements proposed to be financed; and

(g) in the case of a district created to make improvements in a newly platted subdivision:

(i) the prior subdivision development experience and credit rating or credit history of the person developing the land; and

(ii) any contribution by property owners to the costs of the improvements or any security given by property owners to secure payment of special assessments levied in the district.

(5) Any findings or determinations with respect to the factors contained in subsection (4) made by the city or town council in a resolution authorizing the undertakings and agreements or the issuance of bonds or warrants are conclusive evidence that the city or town council has taken into consideration the factors required by subsection (4).

(6) In lieu of the undertakings and agreements set forth in subsection (1), the city or town council may determine in the resolution authorizing the issuance of the bonds or warrants that the revolving fund does not secure the bonds or warrants and that the bonds or warrants are payable solely from the district fund created for the bonds or warrants and do not have a claim against the revolving fund."

Section 67. Section 7-12-4328, MCA, is amended to read:

"**7-12-4328. Resolution to provide for assessment of costs of installation.** (1) It ~~shall be~~ is the duty of the city or town council to ascertain the cost of installing ~~such~~ a lighting system and, on or before the first Monday in October, to pass and finally adopt a resolution levying and assessing all of the property embraced within ~~said~~ the district with all or any portion of the entire cost of installing the ~~same;~~ system. Subject to [section 1], each lot or parcel of land in ~~said~~ the district ~~to~~ must be assessed in accordance with the method adopted by the city council as provided in 7-12-4321 through 7-12-4324.

(2) ~~Any such~~ The resolution ~~shall~~ must contain a list in which ~~shall be described~~ each lot or parcel of land is described by~~,~~ either the total number of square feet of property contained ~~therein~~ or the total number of linear feet abutting the improvements as may be required to determine the total assessment in the district~~,~~ and must contain the amount levied against each lot or parcel of land ~~set opposite~~.

(3) ~~Such~~ The resolution, signed by the mayor and city clerk, ~~shall~~ must be kept on file in the office

of the city clerk."

Section 68. Section 7-12-4332, MCA, is amended to read:

"**7-12-4332. Resolution to provide for assessment of maintenance costs.** It ~~shall be~~ is the duty of the city or town council to estimate, as nearly as practicable, the cost of maintaining ~~such~~ lights and furnishing electrical current ~~therefor~~ for the lights each year and the portion ~~thereof~~ of the cost to be assessed against the property embraced within the district. ~~and,~~ Subject to [section 1] and before the first Monday in October, ~~to~~ the city or town council shall pass and finally adopt a resolution levying and assessing ~~said~~ property within ~~said~~ the district with an amount equal to the proportion of the cost of ~~such~~ maintenance and electrical current ~~so~~ determined to be ~~especially~~ assessed against ~~said~~ the property."

Section 69. Section 7-12-4333, MCA, is amended to read:

"**7-12-4333. Procedure for resolution for assessment of maintenance costs.** ~~Said~~ Subject to [section 1], a resolution levying and assessing ~~said~~ the portion of the cost of maintenance and for furnishing electrical current ~~therefor shall~~ for the lighting district must be prepared and certified to in the same manner as the resolution provided for in 7-12-4328 through 7-12-4330, and the same notice and hearing ~~shall~~ must be given ~~thereon~~. This resolution ~~shall~~ must be adopted and certified and the assessment collected in the same manner, as nearly as may be possible, in the case of the resolution provided for in 7-12-4328 through 7-12-4331."

Section 70. Section 7-12-4425, MCA, is amended to read:

"**7-12-4425. Resolution for assessment of costs of maintenance.** (1) The city council shall estimate, as near as practicable, the cost of maintenance in each established district annually, not later than the second Monday in August. ~~The~~ Subject to [section 1], the council shall pass and finally adopt a resolution specifying the district assessment option and levying and assessing all the property within the several districts with an amount equal to not less than 75% of the entire cost of ~~said~~ the work.

(2) The resolution levying the assessment to defray the cost of maintenance ~~shall~~ must contain or refer to a list in which ~~shall be described~~ the lot or parcel of land assessed is described, with the name of the owner, ~~thereof~~ if known, and the amount levied ~~thereon set opposite~~ against each lot or parcel of land.

(3) ~~Such~~ The resolution ~~shall~~ must be kept on file in the office of the city clerk."

Section 71. Section 7-12-4611, MCA, is amended to read:

"**7-12-4611. Resolution for assessment -- assessment options.** The city or town council shall estimate, as nearly as practicable, the entire cost of installing and maintaining fire hydrants each year and the portion ~~thereof~~ of the cost to be assessed against the property within the district. Before the first Monday in October, the council ~~must~~ shall pass and finally adopt a resolution levying and assessing the property within the district. ~~The~~ Subject to [section 1], the city or town council, for the purpose of making the assessment, shall adopt one of the following methods:

(1) The council may assess the cost of fire hydrant installation and maintenance against the entire district~~, each~~. Each lot or parcel of land within the district ~~to~~ must be assessed for that part of the whole cost ~~which~~ that its area bears to the area of the entire district, exclusive of streets, avenues, alleys, and public places.

(2) The council may assess the cost of fire hydrant installation and maintenance against the entire district~~, each~~. Each lot or parcel of land within the district bordering or abutting on the streets where fire hydrants are located ~~to~~ must be assessed in its lineal proportion to the total lineal feet bordering or abutting on ~~such~~ the streets.

(3) ~~If~~ Subject to [section 1], if the city council determines that the area, frontage, or combination options are inequitable, it may assess the cost of fire hydrant installation and maintenance:

(a) against the entire district, with each lot or parcel of land within ~~such~~ the district to be assessed for that part of the whole cost that its taxable valuation, including improvements, bears to the taxable valuation of the entire district; or

(b) against the entire district, with each lot or parcel of land receiving service within the district to be assessed by apportioning the whole cost according to a ratio between the water meter size servicing each lot or parcel and the whole cost."

Section 72. Section 7-13-124, MCA, is amended to read:

"**7-13-124. Resolution to assess and levy tax for making improvements.** (1) ~~To~~ Subject to [section 1] and to defray the cost of making improvements in any special improvement district, the board of county commissioners shall by resolution levy and assess a tax upon all property in the district created

for ~~such~~ that purpose by using for a basis for ~~such~~ the assessment the method provided for by this part.

(2) ~~Such~~ The resolution ~~shall~~ must contain a description of each lot or parcel of land, with the name of the owner, if known, and the amount of each partial payment when made and the day when the ~~same shall~~ payment ~~become~~ becomes delinquent.

(3) ~~Such~~ The resolution, signed by the ~~chairman~~ presiding officer of the board, ~~shall~~ must be kept on file in the office of the county clerk."

Section 73. Section 7-13-144, MCA, is amended to read:

"**7-13-144. Resolution to establish service charges -- hearing -- limitations and tax levy.** The board of county commissioners ~~shall have authority~~ may, subject to the provisions of Title 69, chapter 7, by resolution and after public hearing:

(1) ~~to~~ fix and establish the sewer rates, charges, and rentals at amounts sufficient in each year, to provide income and ~~revenues~~ revenue adequate for the payment of the reasonable expense of operation and maintenance of the system;

(2) ~~to~~ fix and establish an additional charge, for the operation and maintenance of a sanitary and storm sewer system and of a sewage treatment plant; and

(3) subject to [section 1], ~~to~~ levy and ~~to~~ assess a tax upon the taxable valuation of each ~~and every~~ lot or parcel of land and improvements ~~thereon~~ on the lots and parcels in the district, not in excess of 2 mills on each dollar of taxable valuation, to provide sufficient ~~revenues~~ revenue for the reserve fund of the amounts necessary to meet the financial requirements of ~~such~~ the fund as described in 7-13-151 through 7-13-156."

Section 74. Section 7-13-216, MCA, is amended to read:

"**7-13-216. Implementation of program.** The board may implement its proposed program a section at a time. If a program is implemented a section at a time, the fees may be levied only against that part of the district that is receiving the service. ~~As~~ Subject to [section 1], as the program is expanded throughout the district, that part of the district will start to pay the fee for service."

Section 75. Section 7-13-2221, MCA, is amended to read:

"**7-13-2221. Powers related to district finances.** Any district incorporated as provided in this part

~~shall have power to~~ may:

(1) accept funds and property or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purposes of aiding the construction or maintenance of water or sewer development projects;

(2) cooperate and contract with the state or federal government or any department or agency thereof in furnishing assurances for and meeting local cooperation requirements of any project involving control, conservation, and use of water;

(3) borrow money and incur indebtedness and issue bonds or other evidence of ~~such~~ indebtedness~~; also~~ and refund or retire any indebtedness or lien that may exist against the district or property ~~thereof~~ of the district;

(4) subject to [section 1], cause taxes to be levied in the manner provided for in ~~this part and~~ part 23 and this part for the purpose of paying any obligation of the district and to accomplish the purposes of ~~this part and~~ part 23 and this part in the manner provided in ~~this part and~~ part 23 and this part."

Section 76. Section 7-13-2302, MCA, is amended to read:

"**7-13-2302. Levy of taxes to meet bond obligations and other expenses.** (1) If from any cause the ~~revenues~~ revenue of the district ~~shall be~~ is inadequate to pay the ~~interest or~~ principal of or interest on any bonded debt as it becomes due or any other expenses or claims against the district, then the board of directors ~~must~~ shall (at least 15 days before the first day of the month in which the board of county commissioners of the county, city and county, or counties in which ~~such~~ the district is located are required by law to levy the amount of taxes required for county or city and county purposes) furnish to the board or boards of county commissioners and to the auditor or auditors, respectively, an estimate in writing:

(a) of the amount of money required by the district for the payment of the principal of or interest on any bonded debt as it becomes due;

(b) of the amount of money required to establish reasonable reserve funds for either ~~of said purposes~~ bond payments or expenses, together with a description of the lands benefited ~~thereby~~, as stated by the board of directors in the resolution declaring the necessity to incur ~~such~~ the bonded indebtedness; and

(c) of the amount of money required by the district for any other purpose set forth in this section.

(2) The board of county commissioners of ~~such~~ the county or city and county, annually, at the time and in the manner of levying other county or city and county taxes, ~~must~~ shall:

(a) until ~~any such~~ the bonded debt is fully paid, levy upon the lands ~~so~~ benefited and cause to be collected the proportionate share to be borne by the land located in their county of a tax sufficient for the payment ~~thereof~~ of the debt, to be known as the ..... district bond tax; and

(b) until all other expenses or claims are fully paid and subject to [section 1], levy upon all of the lands of the district and cause to be collected the proportionate share to be borne by the land located in their county of a tax sufficient for the payment ~~thereof~~ of the expenses or claims, to be known as the ..... district water ~~and/or~~ or sewer tax or district water and sewer tax.

(3) ~~Such~~ The taxes for the payment of any ~~such~~ bonded debt ~~shall~~ must be levied on the property benefited ~~thereby~~ by the debt, as stated by the board of directors in the resolution declaring the necessity ~~therefor~~ for the debt, and all taxes for other purposes ~~shall~~ must be levied on all property in the territory comprising the district."

Section 77. Section 7-13-2528, MCA, is amended to read:

"**7-13-2528. Financial administration of district.** (1) The board of trustees shall, from any list prepared by the department of revenue as required by 7-13-2527, remove the names of any persons who have claimed exemption under this part prior to September 1 and shall prepare a budget for the expenses for the next year.

(2) The budget, together with the list of persons residing in the district and subject to the special tax after all exemptions have been allowed as provided in this part, must be presented by September 1 to the board of county commissioners, who shall levy the tax requested by the trustees. ~~The~~ Subject to [section 1], the board shall levy the tax in accordance with the trustees' request. In preparing the budget, the board of trustees shall maintain separate budgets for television services and for FM translator services and shall specify the tax to be levied on property owners for these services. The tax must be certified to the county clerk and recorder, who shall notify the department of revenue for entry of the tax on the property tax record as against those persons and collected by the county treasurer as all other taxes are collected.

(3) The county treasurer is the treasurer for the district and shall hold the taxes, as collected, in a separate fund to be disbursed upon warrants drawn by the trustees, at least two of whom shall sign

any warrant for the disbursement of the funds by the county treasurer."

Section 78. Section 7-13-3020, MCA, is amended to read:

"**7-13-3020. Resolution to assess and levy tax for making improvements.** (1) ~~To~~ Subject to [section 1] and to defray the cost of making improvements in the district, the governing body shall by resolution levy and assess a tax upon all property in the district created for the purpose of the system by using as a basis for the assessment the method provided for by this part.

(2) The resolution must contain a description of each lot or parcel of land, with the name of the owner, if known, and the amount of each partial payment when made and the day when the payment becomes delinquent.

(3) The resolution, signed by the governing body, must be kept on file in the office of the local government clerk."

Section 79. Section 7-13-3027, MCA, is amended to read:

"**7-13-3027. Resolution to establish service charges -- hearing -- limitations and tax levy.** The governing body may, subject to the provisions of Title 69, chapter 7, by resolution and after public hearing:

(1) establish the rates, charges, and rentals in amounts sufficient in each year to provide income and ~~revenues~~ revenue adequate for the payment of the reasonable expense of operation and maintenance of the system;

(2) establish an additional charge for the operation and maintenance of a system and a plant; and

(3) subject to [section 1], levy and assess a tax upon the taxable valuation of each and every lot or parcel of land and improvements in the district, not in excess of 2 mills on each dollar of taxable valuation, to provide sufficient ~~revenues~~ revenue for the reserve fund in the amounts necessary to meet the financial requirements of the fund as described in 7-13-3034 through 7-13-3039."

Section 80. Section 7-13-4309, MCA, is amended to read:

"**7-13-4309. Procedure to collect sewer charges.** (1) The sewer charges must be collected by the treasurer.

(2) On or before July 15 of each year, notice must be given by the city treasurer or town clerk

to the owners of all lots or parcels of real estate to which sewer service has been furnished prior to July 1 by the city or town. The notice must specify the assessment owing and in arrears at the time of giving notice. The notice must be in writing and must state the amount of arrearage, including any penalty and interest assessed pursuant to the provisions of the city or town ordinance, and that subject to [section 1], unless the amount is paid by August 15, the amount will be levied as a tax against the lot or parcel of real estate to which sewer service was furnished and for which payment is delinquent. The notice must also state that the city or town may by suit collect past-due assessments, interest, and penalties, as a debt owing the city or town, in any court of competent jurisdiction, including city court. The notice may be delivered to the owner personally or by letter addressed to the owner at the post-office address of the owner as shown in property tax records maintained by the department of revenue.

(3) (a) Except as provided in subsection (3)(b), on September 1, the city treasurer or town clerk shall certify and file with the department of revenue a list of all lots or parcels of real estate, giving the legal description of the lot or parcel, to the owners of which notices of arrearage in payments were given and which arrearage remains unpaid and stating the amount of the arrearage, including any penalty and interest. The department of revenue shall insert the amount as a tax against the lot or parcel of real estate.

(b) In cities where the council has provided by ordinance for the collection of taxes, the city treasurer shall collect the delinquent amount, including penalty and interest, as a tax against the lot or parcel of real estate to which sewer service was furnished and payment for which is delinquent.

(4) A city or town may, in addition to pursuing the collection of assessments in the same manner as a tax, bring suit in any court of competent jurisdiction, including city court, to collect the amount due and owing, including penalties and interest, as a debt owing the city or town."

Section 81. Section 7-13-4406, MCA, is amended to read:

"**7-13-4406. Control over territory occupied by water supply system -- taxation and condemnation powers.** (1) Cities and towns ~~shall~~ have jurisdiction and control over the territory:

(a) occupied by their public works;

(b) over and along the line of reservoirs, streams, trenches, pipes, drains, and other appurtenances used in the construction and operation of ~~such~~ public works; and

(c) ~~also~~ over the source of streams from which water is taken for the enforcement of its sanitary

ordinances, the abatement of nuisances, and the general preservation of the purity of its water supply, with power to enact all ordinances and regulations necessary to carry the powers ~~hereby~~ conferred into effect.

(2) For ~~this purpose~~ purposes of subsection (1), the city or town ~~shall be~~ is authorized to condemn private property in the manner provided by law and, ~~shall have~~ subject to [section 1], has the authority to levy a just and equitable tax on all consumers of water for the purpose of defraying the expenses of its procurement."

Section 82. Section 7-14-111, MCA, is amended to read:

"**7-14-111. Transportation for senior citizens and persons with disabilities.** (1) ~~A~~ Subject to [section 1], a county, urban transportation district, or municipality may, in addition to all other property tax levies authorized by law, levy up to 1 mill of property taxes to fund special transportation services for senior citizens and persons with disabilities.

(2) The proceeds of the levy may be used to:

(a) contract with public or private transportation providers for services to senior citizens and individuals with disabilities; or

(b) augment or subsidize provisions for the transportation of senior citizens and individuals with disabilities provided by public transportation providers.

(3) If the taxing jurisdiction determines that it is not in the best interest of senior citizens and individuals with disabilities to use the tax levy as provided for in subsection (2), the taxing jurisdiction may use the proceeds of the levy to establish and operate an independent transportation system for senior citizens and individuals with disabilities.

(4) Counties, urban transportation districts, and municipalities are encouraged to enter into interlocal agreements to provide regional transportation services to senior citizens and persons with disabilities and may create regional advisory committees to coordinate regional transportation services."

Section **83.** Section 7-14-232, MCA, is amended to read:

"**7-14-232. Mill levy authorized -- limitation.** (1) ~~The~~ Subject to [section 1], the commissioners shall annually, at the time of levying county taxes, fix and levy a tax in mills upon all property within ~~said~~ the transportation district clearly sufficient to raise the amount certified by the board.

(2) The tax ~~so~~ levied for all district purposes other than payment of bonded indebtedness ~~shall~~ may not in any year exceed 12 mills on each dollar of taxable valuation of property within ~~said~~ the district."

Section 84. Section 7-14-1111, MCA, is amended to read:

"**7-14-1111. General powers of authority.** An authority has all the powers necessary or convenient to carry out the purposes of this part, including but not limited to the power to:

(1) subject to [section 1], request annually the amount of tax to be levied by the governing body for port purposes, which request the governing body may in its discretion approve for port purposes;

(2) sue and be sued, have a seal, and have perpetual succession;

(3) execute ~~such~~ contracts and other instruments and take ~~such~~ other action ~~as~~ that may be necessary or convenient to carry out the purposes of this part;

(4) plan, establish, acquire, develop, construct, purchase, enlarge, improve, maintain, equip, operate, regulate, and protect transportation, storage, or other facilities. For ~~such~~ these purposes an authority may, by purchase, gift, devise, lease, or otherwise, acquire real or personal property or any interest ~~therein~~ in property, including easements.

(5) establish comprehensive port zoning regulations in accordance with the laws of this state;

(6) acquire, by purchase, gift, devise, lease, or otherwise, existing transportation, storage, or other facilities ~~as~~ that may be necessary or convenient to carry out the purposes of this part. However, an authority may not acquire or take over any transportation, storage, or other facility owned or controlled by another authority, county, municipality, or public agency without the consent of ~~such~~ the authority, county, municipality, or public agency.

(7) provide financial and other support to organizations in its jurisdiction, including corporations organized under the provisions of the development corporation act in Title 32, chapter 4, whose purpose is to promote, stimulate, develop, and advance the general welfare, economic development, and prosperity of its jurisdiction and of the state and its citizens by stimulating, assisting in, and supporting the growth of all kinds of economic activity, including the creation, expansion, modernization, retention, and relocation of new and existing businesses and industry in the state, all of which will tend to promote business development, maintain the economic stability and prosperity of the state, and thus provide maximum opportunities for employment and improvement in the standards of living of citizens of the

state."

Section 85. Section 7-14-1131, MCA, is amended to read:

"**7-14-1131. Municipal tax levy.** ~~The~~ Subject to [section 1], the port authority may request annually from the governing bodies the amount of tax to be levied by each municipality participating in the creation of the port authority, and the municipality may levy the amount requested, pursuant to provisions of law authorizing cities and other political subdivisions of this state to levy taxes. The levy made may not exceed the maximum levy permitted by 67-10-402 for port purposes or any lower limit that may have been established by the municipality or municipalities in the resolution creating the authority. The municipality shall collect the taxes requested by a port authority that it has authorized in the same manner as other taxes are levied and collected and make payment to the port authority. The proceeds of ~~such~~ the taxes when and as paid to the port authority must be deposited in a special account or accounts in which other ~~revenues~~ revenue of the authority ~~are~~ is deposited and may be expended by the authority as provided for in this part. Prior to the issuance of bonds under 7-14-1133 and 7-14-1134, the port authority or the municipality may by resolution covenant and agree that the total amount of ~~such~~ taxes then authorized by law, or ~~such~~ the portion ~~thereof as~~ of the taxes that may be specified by the resolution, will be requested, levied, and deposited annually as provided in this section until the bonds and interest ~~thereon~~ are fully paid."

Section 86. Section 7-14-2101, MCA, is amended to read:

"**7-14-2101. General powers of county relating to roads and bridges.** (1) The board of county commissioners, under ~~such~~ limitations and restrictions as are prescribed by law, may:

(a) (i) lay out, maintain, control, and manage county roads and bridges within the county;

(ii) subject to [section 1], levy taxes ~~therefor~~ for county roads and bridges within the county as provided by law;

(b) (i) in the exercise of sound discretion, jointly with other counties, lay out, maintain, control, manage, and improve county roads and bridges in adjacent counties, wholly or in ~~such~~ part as may be agreed upon between the boards of the counties concerned;

(ii) subject to [section 1], levy taxes ~~therefor~~ for roads and bridges in adjacent counties as provided by law;

(c) (i) enter into agreements for adjusted annual contributions over not more than 6 years toward the cost of joint highway or bridge construction projects entered into in cooperation with other counties, the state, or the United States;

(ii) subject to [section 1], place ~~such a~~ a joint project in the budget and levy taxes ~~therefor~~ for the project as provided by law.

(2) (a) Unless the context requires otherwise, county road means any public highway opened, established, constructed, maintained, abandoned, or discontinued by a county in accordance with this chapter.

(b) Unless the context requires otherwise, bridge includes rights-of-way or other interest in land, abutments, superstructures, piers, and approaches except dirt fills."

Section 87. Section 7-14-2205, MCA, is amended to read:

"**7-14-2205. Construction of bridge in municipality -- election.** (1) Before undertaking the construction in any city or town of any bridge, the cost of which exceeds $10,000, the board of county commissioners shall submit to the qualified electors of the county at a general election or a special election held in conjunction with a regular or primary election the question of whether the bridge is to be constructed and paid for by the county.

(2) (a) If the electors vote in favor of construction, the board may issue and sell bonds of the county in the amount authorized for the construction of the bridge. Bonds must be issued under the regulations that apply to other bonds of the county.

(b) The bridge must be constructed using the proceeds of the bond sale.

(3) ~~If~~ Subject to [section 1], if the cost of the bridge does not exceed the amount authorized to be raised by a special tax, it may be levied as provided in 7-14-2503."

Section 88. Section 7-14-2501, MCA, is amended to read:

"**7-14-2501. General road tax authorized.** (1) ~~To~~ Subject to [section 1] and to raise revenue for the construction, maintenance, or improvement of public highways, each board of county commissioners may levy a general tax upon the taxable property in the county of not more than 20 mills, except in counties of the fourth, fifth, sixth, and seventh class ~~counties~~, which may levy not more than 23 mills, payable to the county treasurer. The tax ~~from freeholders shall~~ must be collected the same as other taxes;

~~and from nonfreeholders,~~ as the board may direct.

(2) This section ~~shall~~ does not apply to incorporated cities and towns ~~which~~ that by ordinance provide for the levy of a ~~like~~ tax for road, street, or alley purposes.

(3) All money collected under this section ~~shall belong to~~ must be deposited in the county road fund."

Section 89. Section 7-14-2502, MCA, is amended to read:

"**7-14-2502. Special bridge tax authorized -- combined ferry and bridge fund.** (1) ~~Each~~ Subject to [section 1], a board may levy a special tax not to exceed 8 mills on all taxable property in the county for the purpose of constructing, maintaining, and repairing free public bridges, which includes those bridges within the municipalities.

(2) ~~An~~ Subject to [section 1], an additional levy for these purposes may be made under the following conditions:

(a) In any county where the taxable value of property in that county is $20 million or less, the board may, if necessary, levy 1 mill.

(b) In counties where the taxable value of property in that county is not less than $20 million or more than $40 million, the board may, if necessary, levy 2 mills.

(3) For the purposes of this section, a free public bridge is defined as any drainage structure located on, over, or through any road or highway.

(4) These taxes must be levied and collected in the same manner as other taxes. Except when the county has a combined ferry and bridge fund, the money ~~shall~~ must be kept as a special bridge fund, subject to the order of the board for use as ~~herein~~ provided in this section, and ~~shall~~ may not be transferable to any other fund.

(5) If a county owns or operates a public ferry, the board may combine into a single fund the revenue from the county public ferry tax levy authorized in 7-14-2807, the revenue from the special municipal bridge levy authorized in 7-14-2503, and the revenue from the levy authorized by this section. The fund may be used for any lawful purpose authorized for bridges in this part or in Title 7, chapter 14, part 22, or for public ferries in Title 7, chapter 14, part 28."

Section 90. Section 7-14-2503, MCA, is amended to read:

"**7-14-2503. Special municipal bridge tax authorized.** ~~Each~~ Subject to [section 1], a board may levy a special tax not to exceed 5 mills on the taxable property in the county to defray the costs of any bridge required to be constructed and maintained by the county in any city or town."

Section 91. Section 7-14-2731, MCA, is amended to read:

"**7-14-2731. Assessment and lien upon lands benefited by road.** (1) ~~The~~ Subject to [section 1], the board shall levy and cause to be collected an assessment upon all parcels of land specifically benefited by the laying out, opening, construction, or improvement, for paying the costs ~~thereof~~ of the road.

(2) The assessment ~~shall be~~ is a first lien upon the liable land, prior and superior to all other liens and encumbrances."

Section 92. Section 7-14-2801, MCA, is amended to read:

"**7-14-2801. General powers of county relating to ferries.** The board of county commissioners, under ~~such~~ limitations and restrictions as are prescribed by law, may:

(1) lay out, maintain, control, and manage county ferries within the county and, subject to [section 1], levy taxes ~~therefor~~ for county ferries as provided by law;

(2) in the exercise of sound discretion, jointly with other counties, lay out, maintain, control, manage, and improve county ferries in adjacent counties, wholly or in ~~such~~ part as may be agreed upon between the boards of the counties concerned, and subject to [section 1], levy taxes ~~therefor~~ as provided by law."

Section 93. Section 7-14-2807, MCA, is amended to read:

"**7-14-2807. Tax levy for public ferry -- combined ferry and bridge fund.** (1) ~~If~~ Subject to [section 1], if a county owns or operates a public ferry, the board of county commissioners may levy a special tax, not to exceed 2 mills on the dollar, on the taxable property of the county for the purpose of constructing, maintaining, and repairing public ferries.

(2) The board may combine the revenue from the tax authorized in this section with ~~revenues~~ revenue from taxes to support bridges as provided in 7-14-2502."

Section 94. Section 7-14-4106, MCA, is amended to read:

"**7-14-4106. Payment for cost of removing waste.** ~~(1) The~~ Subject to [section 1], the city or town council has power to provide for levying the cost of the removal provided for in 7-14-4105(2) as a special tax against the property from which ~~such~~ the matter was deposited.

~~(2) The city or town council may further, until full liquidation is realized, include in such tax an amount not to exceed 20% of any floating indebtedness consisting of valid outstanding warrants drawn and issued against the fund or funds used to defray the expense of removing such matter, existing at the close of business on June 30, 1943, together with not to exceed such per centum of the current interest thereon from such last-mentioned date. The money derived from such portion of such levy and assessment for such additional amount, if included in such tax, may only be expended toward liquidating such floating indebtedness, together with the interest thereon, and not otherwise.~~"

Section 95. Section 7-14-4643, MCA, is amended to read:

"**7-14-4643. Sources of revenue for payment of revenue bonds.** (1) ~~No revenue~~ Revenue bonds authorized by 7-14-4641 or the interest ~~thereon shall~~ on the bonds may not be payable from or secured by a pledge or mortgage of any funds or properties of the city except those expressly enumerated in subsection (2).

(2) A commission may issue ~~such~~ types of revenue bonds ~~as~~ that it may determine, including revenue bonds on which the principal and interest are payable:

(a) exclusively from the income and ~~revenues~~ revenue of the parking facilities financed with the proceeds of ~~such~~ the bonds;

(b) exclusively from the income and ~~revenues~~ revenue of certain designated parking facilities whether or not they were financed in whole or in part with the proceeds of ~~such~~ the bonds;

(c) from a charge on ~~such revenues~~ revenue either prior or subordinate to the payment of any designated part or all of the costs of operation and maintenance and other expenses of ~~such~~ the facilities;

(d) from any contributions or other financial assistance from the state or federal governments;

(e) from any or all onstreet parking meter ~~revenues~~ revenue of the city ~~which~~ that may be pledged and appropriated by or under authority of the legislative body for this purpose until the bonds are fully paid;

(f) subject to [section 1], from the collections of special assessments and interest ~~thereon~~ on the assessments levied to finance the cost of parking facilities under any of the provisions of parts 41 through

45 of chapter 12 and part 47 of this chapter ~~which~~ that may be pledged and appropriated by or under authority of the legislative body for the payment of revenue bonds issued under the provisions of this section and that are not pledged for the payment of special improvement district bonds;

(g) from a reserve ~~which~~ that may be established and agreed to be maintained by the transfer of ~~such~~ other city funds ~~as~~ that may be pledged and appropriated, by or under authority of the legislative body, to meet deficiencies in the reserve until the bonds are fully paid;

(h) from the proceeds of sale upon foreclosure of any mortgage of an offstreet parking facility made by or under authority of the legislative body to secure the payment of any revenue bonds issued under this section, provided that ~~no such~~ another mortgage ~~shall~~ may not be placed upon any property of the city or commission unless the cost of ~~such~~ the property to the city has been paid from the proceeds of ~~such~~ the bonds; or

(i) any combination of these sources."

Section 96. Section 7-14-4644, MCA, is amended to read:

"**7-14-4644. Restrictions on use of reserve to make payments on revenue bonds.** The funds from which the transfers authorized by 7-14-4643(2)(g) are made ~~shall~~ must be reimbursed from the next ~~collections~~ collection of other ~~revenues~~ revenue enumerated in 7-14-4643 ~~which are~~ that is not needed for full compliance with provisions of indentures securing all outstanding obligations of the commission. ~~Nothing herein shall~~ Subject to [section 1], this section does not permit the levy of taxes at any time in excess of the deficiency then existing in the reserve~~;~~. ~~but such~~ Subject to [section 1], a tax as may be needed, with other funds determined by the legislative body to be available to meet the deficiency, may ~~and shall~~ be levied and ~~shall~~ is not ~~be~~ subject to any limitation of rate or amount provided in any other law."

Section 97. Section 7-14-4703, MCA, is amended to read:

"**7-14-4703. Provision for payment of damages due to creation of pedestrian mall.** When the public interest or convenience requires, the governing body of a municipality may pay, from general funds of the municipality or other available money or from the proceeds of assessments levied on lands benefited by the establishment of a pedestrian mall, the damages, if any, allowed or awarded to any property owner by reason of the establishment of a pedestrian mall. The resolution of intention must

contain a statement that, subject to [section 1], an assessment will be levied to pay the whole or a stated portion of ~~such~~ damages, if any, allowed or awarded to any property owner by reason of the establishment of ~~such~~ the pedestrian mall."

Section 98. Section 7-14-4713, MCA, is amended to read:

"**7-14-4713. Estimates of expenses -- tax levy.** (1) The governing body shall:

(a) make annual statements and estimates of the expenses of the district ~~which shall be~~ that are provided for by the levy and collection of ad valorem taxes upon the taxable value of all the real and personal property in the district;

(b) publish notice ~~thereof~~ of the estimates; and

(c) have hearings on the statements and estimates and adopt them as provided for incorporated cities and towns by 7-12-4104, 7-12-4106, 7-12-4110, 7-12-4112, 7-12-4113, and 7-12-4117.

(2) ~~The~~ Subject to [section 1], the governing body, on or before the second Monday in August of each year, shall fix, levy, and assess the amount to be raised by ad valorem taxes upon all of the property of the district. All statutes providing for the levy and collection of state and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, ~~shall be~~ are applicable to the district taxes provided for under this section."

Section 99. Section 7-14-4734, MCA, is amended to read:

"**7-14-4734. Expense estimate -- assessments and tax levy.** (1) The governing body shall:

(a) make annual statements and estimates of the expenses of the district ~~which shall be~~ that are provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district;

(b) publish notice ~~thereof~~ of the estimates; and

(c) have hearings ~~thereon~~ and adopt an ordinance ~~thereon~~ on the estimates at the times and in the manner provided for incorporated cities and towns by the applicable portions of 7-12-4175.

(2) ~~The~~ Subject to [section 1], the governing body, on or before the second Monday in August of each year, shall fix, levy, and assess the amount to be raised by ad valorem taxes upon all of the property of the district. All statutes providing for the levy and collection of state and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, are applicable

to the district taxes provided for under this section.

(3) ~~No~~ An assessment for district purposes against the property within ~~such~~ the district may not exceed 12 mills upon each dollar of taxable valuation in any tax year."

Section 100. Section 7-15-4281, MCA, is amended to read:

"**7-15-4281. Financial authority in connection with urban renewal.** (1) ~~Every~~ A municipality shall have power to:

(a) borrow money and apply for and accept advances, loans, grants, contributions, and any other form of financial assistance for the purposes of this part and enter into and carry out contracts in connection with the financial assistance from:

(i) the federal government;

(ii) ~~from~~ the state, a county, or any other public body; or

(iii) ~~from~~ any sources, public or private~~, for the purposes of this part and enter into and carry out contracts in connection therewith~~;

(b) (i) appropriate ~~such~~ funds and make ~~such~~ expenditures as may be necessary to carry out the purposes of this part; and

(ii) subject to [section 1] and in accordance with state law, levy taxes and assessments for ~~such~~ the purposes of this part;

(c) invest any urban renewal project funds held in reserves or sinking funds or any ~~such~~ funds ~~which~~ that are not required for immediate disbursement in property or securities in which mutual savings banks may legally invest funds subject to their control;

(d) adopt, in accordance with state law, annual budgets for the operation of an urban renewal agency, department, or office vested with urban renewal project powers under 7-15-4231;

(e) enter, in accordance with state law, into agreements, which may extend over any period, with agencies or departments vested with urban renewal project powers under 7-15-4231 respecting action to be taken by ~~such~~ the municipality pursuant to any of the powers granted by ~~this part or~~ part 43 or this part;

(f) close, vacate, plan, or replan streets, roads, sidewalks, ways, or other places and plan or replan, zone or rezone any part of the municipality in accordance with state law.

(2) A municipality may include in any application or contract for financial assistance with the

federal government for an urban renewal project ~~such~~ the conditions imposed pursuant to federal laws ~~as~~ that the municipality may ~~deem~~ consider reasonable and appropriate and ~~which~~ that are not inconsistent with the purposes of ~~this part and~~ part 43 and this part."

Section 101. Section 7-15-4283, MCA, is amended to read:

"**7-15-4283. Definitions related to tax increment financing.** For purposes of 7-15-4282 through 7-15-4292 and 7-15-4297 through 7-15-4299, the following definitions apply unless otherwise provided or indicated by the context:

(1) "Actual taxable value" means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized.

(2) "Base taxable value" means the actual taxable value of all taxable property within an urban renewal area or industrial district prior to the effective date of a tax increment financing provision. This value may be adjusted as provided in 7-15-4287 or 7-15-4293.

(3) "Incremental taxable value" means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value of all property within an urban renewal area or industrial district subject to taxation.

(4) "Industrial district" means a tax increment financing industrial district created pursuant to 7-15-4299.

(5) "Industrial infrastructure development project" means a project undertaken within or for an industrial district that consists of any or all of the activities authorized by 7-15-4288.

(6) "Municipality", for the purpose of an industrial district created pursuant to 7-15-4297 through 7-15-4299 and operating pursuant to 7-15-4282 through 7-15-4293 and part 43 of this chapter, means any incorporated city or town, county, or city-county consolidated local government.

(7) "Tax increment" means, subject to [section 1], the collections realized from extending the tax levies, expressed in mills, of all taxing bodies in which the urban renewal area or industrial district or a part thereof is located against the incremental taxable value.

(8) "Tax increment provision" means, subject to [section 1], a provision for the segregation and application of tax increments as authorized by 7-15-4282 through 7-15-4292.

(9) "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.

(10) "Taxing body" means any city, town, county, school district, or other political subdivision or

governmental unit of the state, including the state, ~~which~~ that levies taxes against property within the urban renewal area or industrial district."

Section 102. Section 7-15-4286, MCA, is amended to read:

"**7-15-4286. Procedure to determine and disburse tax increment.** (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area or industrial district and the base taxable value of all taxable property located within the urban renewal area or industrial district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the urban renewal area or industrial district.

(2) (a) ~~The~~ Subject to [section 1], the tax increment, if any, received in each year from the levy of the combined mill rates of all the affected taxing bodies against the incremental taxable value within the urban renewal area or industrial district, except for the university system mills levied and assessed against property, must be paid into a special fund held by the treasurer of the municipality and used as provided in 7-15-4282 through 7-15-4292.

(b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as otherwise provided by law."

Section 103. Section 7-15-4292, MCA, is amended to read:

"**7-15-4292. Termination of tax increment financing -- exception.** (1) The tax increment provision terminates upon the later of:

(a) the 15th year following its adoption or, if the tax increment provision was adopted prior to January 1, 1980, upon the 17th year following adoption; or

(b) the payment or provision for payment in full or discharge of all bonds for which the tax increment has been pledged and the interest on the bonds.

(2) Any amounts remaining in the special fund or any reserve fund after termination of the tax increment provision must be distributed among the various taxing bodies in proportion to their property tax revenue from the district.

(3) ~~After~~ Subject to [section 1], after termination of the tax increment provision, all taxes must

be levied upon the actual taxable value of the taxable property in the urban renewal area or the industrial district and must be paid into the funds of the respective taxing bodies.

(4) Bonds secured in whole or in part by a tax increment provision may not be issued after the 15th anniversary of tax increment provisions adopted after January 1, 1980, and the 17th anniversary of tax increment provisions adopted prior to January 1, 1980. However, if bonds secured by a tax increment provision are outstanding on the applicable anniversary, additional bonds secured by the tax increment provision may be issued if the final maturity date of the bonds is not later than the final maturity date of any bonds then outstanding and secured by the tax increment provision."

Section 104. Section 7-16-101, MCA, is amended to read:

"**7-16-101. Creation of funds for recreational and other activities of elderly by local governments.** (1) ~~The~~ Subject to [section 1], the governing body of a city, county, town, or municipality may in its discretion establish a fund to promote, establish, and maintain recreational, educational, and other activities of the elderly by a levy of up to 1 mill on each dollar of taxable property~~, which~~ The tax levy ~~shall be~~ is in addition to all other tax levies.

(2) The governing body ~~shall have the power~~ may, by resolution, ~~to~~ make expenditures from the fund as it may from time to time determine. Expenditures ~~shall~~ must be made for the promotion and development of recreational, educational, and other activities of the elderly, including motivation of the use of the talents of the elderly.

(3) The governing body may make payment of expenditures to nonprofit corporations or associations engaged in aiding the activities."

Section 105. Section 7-16-2102, MCA, is amended to read:

"**7-16-2102. Authorization for tax levy for parks and certain cultural, social, and recreational facilities.** (1) ~~The~~ Subject to [section 1], the board of county commissioners may annually levy on the taxable property of the county, in the same manner and at the same time as other county taxes are levied a special tax, not to exceed 2 mills on each dollar of the taxable valuation for any ~~one~~ 1 year, for the purpose of maintaining, operating, and equipping parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination ~~thereof~~ of purposes, parks, and facilities.

(2) (a) The board of county commissioners ~~must~~ shall submit the question of imposing or the continued imposition of the property tax mill levy provided in subsection (1) to the electors of the county at the next general election if a petition requesting ~~such~~ an election, signed by at least 15% of the resident taxpayers of the county, is filed with the county clerk. The petition must be filed with the county clerk at least 90 days prior to the date of the general election.

(b) The question ~~will~~ must be submitted substantially as follows:

[] FOR the imposition (or continued imposition) of a property tax, not to exceed 2 mills, for county parks and for county-owned cultural, social, and recreational facilities.

[] AGAINST the imposition (or continued imposition) of a property tax for county parks and for county-owned cultural, social, and recreational facilities.

(c) The board of county commissioners shall levy ~~such a~~ the tax for the 2 subsequent fiscal years if the question for the imposition of the tax is approved by a majority of the electors voting on the question.

(3) All laws applicable to the collection of county taxes ~~shall~~ apply to the collection of the tax provided ~~herein~~ for in this section."

Section 106. Section 7-16-2108, MCA, is amended to read:

"**7-16-2108. Authorization to levy tax and establish fund for establishment and maintenance of programs and employee training for day-care facilities.** (1) ~~The~~ Subject to [section 1], the governing body of a county, city, town, or municipality may ~~in its discretion~~ establish a fund to establish and maintain programs for the operation of licensed day-care centers and homes within the geographic boundaries of the governing body by a levy of up to 1 mill on each dollar of taxable property ~~of said governing body~~ within the county, city, town, or municipality. The tax levy ~~shall be~~ is in addition to all other tax levies.

(2) The governing body ~~shall have the power~~ may, by resolution, ~~to~~ make expenditures from the fund as it may from time to time determine, provided that expenditures ~~shall~~ must be made solely for the establishment, maintenance, and development of programs for and training of operators and employees of day-care centers and homes."

Section 107. Section 7-16-2109, MCA, is amended to read:

"**7-16-2109. Single tax for county fair activities, county parks, and certain cultural, social, and**

recreational facilities -- restriction. (1) ~~Except~~ Subject to [section 1] and except as provided in subsection (2), the county commissioners of a county who have levied taxes pursuant to both 7-16-2102 and 7-21-3410 before January 1, 1993, may combine the two taxes into a single tax that may not exceed 3 1/2 mills on each dollar of the taxable valuation for any 1 year for the purpose of maintaining, operating, and equipping county fair activities, county parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination ~~thereof~~ of purposes, activities, and facilities. The money collected may be distributed among the activities and facilities as determined by the county commissioners.

(2) (a) The board of county commissioners shall submit the question of imposing or continuing the imposition of the single tax provided for in subsection (1) to the electors of the county at the next general election if a petition requesting a vote on the single tax, signed by at least 15% of the resident taxpayers of the county, is filed with the county clerk at least 90 days prior to the date of the general election.

(b) The question must be submitted substantially as follows:

[] FOR imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills, for county fair activities, county parks, and county-owned cultural, social, and recreational facilities.

[] AGAINST imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills, for county fair activities, county parks, and county-owned cultural, social, and recreational facilities.

(c) The board of county commissioners shall levy the tax for the 2 subsequent fiscal years if the imposition or continued imposition of the single tax is approved by a majority of the electors voting on the question."

Section 108. Section 7-16-2205, MCA, is amended to read:

"**7-16-2205. Authorization for mill levy.** (1) The board of county commissioners of any county owning, acquiring, contributing, or making a grant to any museum, facility for the arts and the humanities, or collection of exhibits as set forth in 7-16-2202:

(a) (i) may make an appropriation in its annual budget for the upkeep, care, maintenance, operation, and support of the museum, facility, or collection;

(ii) may make an appropriation in its annual budget for a grant program for private, nonprofit museums and private, nonprofit facilities for the arts and the humanities; and

(b) in order to ~~meet and take care of~~ fund the appropriation or grant program, may, subject to [section 1], annually levy a tax not to exceed 2 mills on each dollar of the taxable valuation of the property subject to taxation in the county.

(2) The levy must be made at the same time as other levies are made for county and school purposes.

(3) The proceeds from the collection of the levy must be kept in a special fund by the county treasurer and used, at the discretion of the board of county commissioners, solely for the purpose for which the levy was made."

Section 109. Section 7-16-2411, MCA, is amended to read:

"**7-16-2411. Creation of county park district.** (1) Proceedings for the creation of a county park district may be initiated by:

(a) a petition signed by not less than 10% of the qualified electors of the proposed park district; or

(b) a resolution of intent adopted by the county governing body, calling for the creation of a county park district.

(2) The petition or resolution must contain:

(a) the boundaries of the proposed district;

(b) subject to [section 1], the proposed maximum property tax mill levy that could be levied on property owners within the district for the operation of the district; and

(c) the proposed number of members of the county park district commission. The number of members must be an odd number and may not be less than three.

(3) When the territory to be included in the proposed district lies in more than one county, a petition must be presented to the governing body of each county in which the territory lies. Each petition must be signed by not less than 10% of the qualified electors of the territory within the county proposed to be included in the district.

(4) Upon receipt of a petition for the creation of a county park district, the county clerk shall examine it and within 15 days either reject the petition if it is insufficient under the provisions of

subsection (1), (2), or (3) or certify that the petition is sufficient and present it to the county governing body at its next meeting.

(5) The text of the petition or resolution must be published as provided in 7-1-2121 in each county in which the territory of the proposed district lies.

(6) At the hearing, the county governing body shall hear:

(a) testimony of all interested persons on whether a county park district should be created;

(b) testimony regarding the proposed boundary, property tax mill levy, and number of members of the district commission; and

(c) any other matter relating to the proposed district.

(7) After the hearing, if the county governing body determines that the proposed park district should be created, it shall by resolution set the boundaries of the proposed park district, the maximum mill levy for the proposed park district, and the number of members to be on the district commission. The resolution must also call for an election on the question of whether to create the county park district. The election must be held in conjunction with a regular or primary election, provided that at least 75 days have elapsed between the adoption of the resolution and the election."

Section 110. Section 7-16-2423, MCA, is amended to read:

"**7-16-2423. Powers of county park district commission.** A county park district commission has all powers necessary for the betterment, operation, maintenance, and administration of park and recreation land within the territory of the district. In the exercise of this general grant of powers, the county park district commission may:

(1) employ or contract with administrative, professional, and other personnel necessary for the operation of the district;

(2) lease, purchase, or contract for the purchase of personal property, including property ~~which~~ that after purchase constitutes a fixture on real property;

(3) lease, purchase, or contract for the purchase of buildings and facilities on lands controlled by the district and equip, operate, and maintain ~~such~~ the buildings and facilities;

(4) adopt by resolution rules for the operation and administration of all parks and recreational facilities under its control;

(5) impose by resolution and collect charges for ~~such~~ services and facilities provided by the

district ~~as~~ that the commission considers necessary for the prudent operation of the district;

(6) subject to [section 1], establish a property tax mill levy for the operation of the district as provided in 7-16-2431;

(7) enter into agreements with any public or private entity or person for the operation of parks or recreational areas either by the district on behalf of the landowner or by another entity on behalf of the district;

(8) with the concurrence of the county governing body or bodies, accept donations of land or recreational-type easements on land within the district for park or recreational purposes on behalf and in the name of the county or counties;

(9) accept donations and devises of money or personal property."

Section 111. Section 7-16-2431, MCA, is amended to read:

"**7-16-2431. District budget -- property tax levy.** (1) The county park district commission shall annually prepare a budget for the ensuing fiscal year and present the budget to the governing body of each county with territory included in the district at the regular budget meetings as prescribed in Title 7, chapter 6, part 23, and certify the amount of money necessary for the operation of the district for the ensuing fiscal year.

(2) ~~The~~ Subject to [section 1], the county governing body shall, annually at the time of levying county taxes, fix and levy a tax in mills on all taxable property within the district sufficient to raise the amount certified by the county park district commission. The tax levied may not in any year exceed the maximum amount approved by the electorate in 7-16-2411 or 7-16-2432."

Section 112. Section 7-16-2443, MCA, is amended to read:

"**7-16-2443. Effect of dissolution.** (1) If dissolution of a county park district is authorized by a majority of the electorate of the district, the county governing body shall order the dissolution and file the order with the county clerk. The dissolution is effective upon the earlier of the following:

(a) 6 months after the date of filing of the order; or

(b) certification by the members of the county park commission that all debts and obligations of the district have been paid, discharged, or irrevocably settled.

(2) If debts or obligations of the district remain unsatisfied after the dissolution of the district, the

county governing body shall, subject to [section 1] and for as long as necessary, levy a property tax, in an amount not to exceed the voted maximum authorized by the district, on all taxable property that is in the territory formerly comprising the district, to be used to discharge the debts of the former district. If the electors of the district lowered the maximum amount to be levied for the operation of the district within 2 calendar years prior to the election authorizing the dissolution, the county governing body ~~is authorized to~~ may, subject to [section 1], levy a property tax not to exceed the maximum levy authorized prior to the reduction of the maximum levy for the discharge of the district's obligations.

(3) Any assets of the district remaining after all debts and obligations have been discharged become the property of the county."

Section 113. Section 7-16-4105, MCA, is amended to read:

"**7-16-4105. Authorization to levy tax for various cultural, social, and recreational facilities.** ~~For~~ Subject to [section 1] and for the purpose of procuring, equipping, and maintaining public parks, swimming pools, skating rinks, playgrounds, civic centers, youth centers, museums, and ~~combinations thereof~~ combination of purposes and facilities, the council or commission in any city or town may levy, in addition to the levy for general municipal or administrative purposes, an amount not exceeding 7 mills on the dollar on the taxable value of the property to be taxed ~~of~~ in the city or town."

Section 114. Section 7-16-4113, MCA, is amended to read:

"**7-16-4113. Tax levy for band concerts.** ~~For~~ Subject to [section 1] and for the purpose of providing band concerts, the council or other governing body in any city of the first, second, or third class or of any incorporated town may assess and levy, in addition to the levy for general municipal or administrative purposes, an amount not to exceed 1 mill on the dollar on the taxable value of the property of the city or town subject to taxation."

Section 115. Section 7-16-4114, MCA, is amended to read:

"**7-16-4114. Authorization to levy tax and establish fund for establishment and maintenance of programs and employee training for day-care facilities.** (1) ~~The~~ Subject to [section 1], the governing body of a county, city, town, or municipality may ~~in its discretion~~ establish a fund to establish and maintain programs for the operation of licensed day-care centers and homes within the geographic boundaries of

the governing body by a levy of up to 1 mill on each dollar of taxable property ~~of said governing body~~ in the county, city, town, or municipality. The tax levy ~~shall be~~ is in addition to all other tax levies.

(2) The governing body ~~shall have the power~~ may, by resolution, ~~to~~ make expenditures from the fund as it may from time to time determine, provided that expenditures ~~shall~~ must be made solely for the establishment, maintenance, and development of programs for and training of operators and employees of day-care centers and homes."

Section 116. Section 7-21-3203, MCA, is amended to read:

"**7-21-3203. Support of extension work in agriculture and home economics.** (1) The county commissioners of any county may appropriate money from the general funds of the county treasury or from funds provided by special levy~~, which the county commissioners are hereby authorized to make at the same time as other levies for county purposes~~, for the purpose of carrying on extension work in agriculture and home economics within the county in cooperation with Montana state university-Bozeman and the United States department of agriculture. Subject to [section 1], the county commissioners may impose the levy for the purpose of this section at the same time as other levies for county purposes are imposed.

(2) The amount of ~~such~~ an appropriation in any county, its method of expenditure, the responsibility for the direction of the work, and the procedure of appointing agents and the compensation and conditions of service of ~~such~~ agents ~~shall~~ must be covered in memoranda of agreement between the county commissioners and Montana state university-Bozeman."

Section 117. Section 7-21-3410, MCA, is amended to read:

"**7-21-3410. Funding of county fair activities.** (1) The board of county commissioners ~~of their respective counties~~ may appropriate annually, out of the general fund of the county treasury and to the county fair commission, a sum not to exceed $3,500, to be expended by the county fair commission for the purpose of holding a county fair ~~and/or~~ or junior fair and for advertising the products and resources of ~~their~~ the county.

(2) ~~In~~ Subject to [section 1] and in addition to ~~the appropriation above provided for~~ or in lieu ~~thereof~~ of the appropriation provided for in subsection (1), the county commissioners ~~of any county in Montana shall have the power to~~ may levy an ad valorem tax of 1 1/2 mills or less on each dollar of

taxable property in ~~such~~ the county for the purpose of securing, equipping, maintaining, and operating a county fair ~~and/or~~ or a junior fair, including the purchase of land ~~for such purposes~~ and the erection of ~~such~~ buildings and other appurtenances as may be necessary.

(3) The funds derived from ~~such~~ the appropriation or tax levy ~~shall~~ must be kept in a separate fund by the county treasurer and ~~shall~~ must be paid out by the treasurer on order signed by the president and secretary of the fair commission."

Section 118. Section 7-21-3432, MCA, is amended to read:

"**7-21-3432. Effect of failure of county commissioners to meet or take action.** If the county commissioners fail to hold the joint meeting or fail to take any action, then the budget certified by the secretary of the fair district ~~shall be~~ is approved without further action and, subject to [section 1], the sums of money apportioned to the county ~~shall~~ must be the sums to be raised by special levy for this purpose."

Section 119. Section 7-21-3433, MCA, is amended to read:

"**7-21-3433. Authorization for mill levy.** (1) For the purpose of raising the ~~revenues~~ revenue provided for in 7-21-3432, the board of county commissioners of each county in the district shall, subject to [section 1], annually make a levy to raise the required sum apportioned to the respective county.

(2) ~~However, the~~ The levy ~~shall~~ provided for in subsection (1) may not exceed 1 mill on the dollar of the taxable value of all the taxable property in the county, except in the case of the county in which the fair is being conducted. In ~~this~~ that county, the levy ~~shall~~ may not exceed 1 1/2 mills on the dollar of taxable property in the county."

Section 120. Section 7-22-2142, MCA, is amended to read:

"**7-22-2142. Sources of money for noxious weed fund.** (1) The commissioners may create the noxious weed fund and provide sufficient money in the fund for the board to fulfill its duties, as specified in 7-22-2109, by:

(a) appropriating money from the general fund of the county;

(b) subject to [section 1] and at any time fixed by law for levy and assessment of taxes, levying a tax not exceeding 2 mills on the dollar of total taxable valuation in the county. The tax levied under this

subsection must be identified on the assessment as the tax that will be used for noxious weed control.

(c) levying a tax in excess of 2 mills if authorized by a majority of the qualified electors voting in an election held for this purpose pursuant to 7-6-2531 through 7-6-2536.

(2) The proceeds of the noxious weed control tax must be used solely for the purpose of managing noxious weeds in the county and must be designated to the noxious weed fund.

(3) Any proceeds from work or chemical sales must revert to the noxious weed fund and must be available for reuse within that fiscal year or any subsequent year.

(4) The commissioners may accept any private, state, or federal gifts, grants, contracts, or other funds to aid in the management of noxious weeds within the district. These funds must be placed in the noxious weed fund."

Section 121. Section 7-22-2222, MCA, is amended to read:

"**7-22-2222. Mill levy authorized.** To administer and implement a rodent abatement program, the governing body may, subject to [section 1], levy a tax, not to exceed 2 mills, on the taxable value of the horticultural, farming, grazing, forest, and railroad lands within the district. The proceeds of the levy are to be placed in the district fund."

Section 122. Section 7-22-2306, MCA, is amended to read:

"**7-22-2306. Financing of insect pest control program.** (1) The governing body of the county shall annually determine the amount of the warrants drawn on the general fund for the purposes of controlling insect pests under a control program approved by the department of agriculture.

(2) ~~In~~ Subject to [section 1], in the succeeding year, the governing body shall levy a tax for the purpose of insect pest extermination sufficient to reimburse the general fund for the money paid out on the warrants. The tax ~~shall~~ must be levied upon all the property in the county and ~~shall~~ may not exceed 3 mills on each dollar of taxable value.

(3) If there is no money in the general fund with which to pay ~~such~~ the warrants, they ~~shall~~ must be registered and bear interest in the same manner as other county warrants. In this case, the interest ~~shall~~ must be computed and added to the amount for which ~~such~~ the tax is levied."

Section 123. Section 7-22-2432, MCA, is amended to read:

"**7-22-2432. Financing of mosquito control district -- levy of district taxes -- limit on mill levy -- fee on structures.** (1) ~~The~~ Subject to [section 1], the board of county commissioners of any county within which a mosquito control board has been created shall finance the operation of the district by levying a tax not exceeding 5 mills on the dollar of the total taxable valuation in the district on all property situated within the district at the time fixed by law for levy and assessment of taxes.

(2) Instead of or in addition to imposing the levy authorized in subsection (1), the county commissioners may, upon an affirmative vote of a majority of the qualified voters residing in the mosquito control district, collect an annual fee from the owners of structures that are benefited by the mosquito control services offered by the district. The schedule of fees is as follows:

(a) up to $20 per single-unit dwelling;

(b) up to $20 per unit in a duplex dwelling;

(c) up to $5 per unit in a multiple-unit dwelling;

(d) up to $75 per commercial establishment;

(e) up to $50 on each irrigated parcel of property that does not contain a dwelling; and

(f) up to $15 on each nonirrigated parcel of property that does not contain a dwelling.

(3) A countywide mosquito control district may be financed by a property tax pursuant to subsection (1) or a fee under subsection (2), but not by both a tax and a fee.

(4) The fees provided for in subsection (2) must be collected with the general taxes of the county. The assessments are a lien on the property assessed.

(5) The proceeds from the tax and the fees must be placed in a separate fund with the county treasurer of the county and must be used solely for the purpose for which the mosquito control district was created."

Section 124. Section 7-22-2512, MCA, is amended to read:

"**7-22-2512. Financing of vertebrate pest management program -- tax.** (1) A governing body may:

(a) appropriate from the county general fund an amount not in excess of $10,000 annually and transfer it to the county vertebrate pest management fund; and

(b) subject to [section 1], levy a vertebrate pest management tax not to exceed 2 mills on the taxable valuation of all agricultural, horticultural, grazing, and timber lands and their improvements. Land within a rodent control district may not be taxed in any given year under both 7-22-2222 and this section

for the control of rodents as defined in 7-22-2207. Land within a rodent control district may be taxed under this section only a dollar amount that is proportional to the part of the vertebrate pest program's projected fiscal year budget ~~which~~ that is allocated to the management and suppression of vertebrate pests other than rodents.

(2) The tax provided for in subsection (1) must be collected as other county taxes and credited to the county vertebrate pest management fund."

Section 125. Section 7-22-4101, MCA, is amended to read:

"**7-22-4101. Control of nuisance weeds within municipality.** (1) The city or town council ~~has power to~~ may:

(a) declare and determine what types of vegetation within the city or town ~~shall be~~ are nuisance weeds;

(b) provide the manner in which ~~they shall be~~ the nuisance weeds are exterminated;

(c) require the owner or owners of any property within ~~said~~ the city or town to exterminate or remove nuisance weeds from their premises and the one-half of any road or street lying next to the land or boulevard abutting ~~thereon~~ their premises; and

(d) subject to [section 1], provide, in the event the owner or owners of any of ~~said~~ premises neglect to exterminate or remove the nuisance weeds ~~therefrom~~, for levying the cost of ~~such~~ the extermination or removal as a special tax against the property.

(2) A noxious weed as defined in 7-22-2101 may not be declared a nuisance weed under this section."

Section 126. Section 7-32-4117, MCA, is amended to read:

"**7-32-4117. Group insurance for ~~policemen~~ police officers -- funding.** (1) Cities of all classes, if they provide insurance for other city employees under Title 2, chapter 18, part 7, shall:

(a) provide the same insurance to their respective ~~policemen~~ police officers;

(b) notwithstanding Title 2, chapter 18, part 7, pay no less than the premium rate in effect as of July 1, 1980, for insurance coverage for ~~policemen~~ police officers and their dependents;

(c) provide for collective bargaining or other agreement processes to negotiate additional premium payments beyond the amount guaranteed by subsection (1)(b).

(2) In compliance with 1-2-112 and subject to [section 1], the administration of this section is declared a public purpose of a city, which may be paid out of the general fund of the governing body and financed by a levy not to exceed 2 mills on the taxable value of property within the city or town."

Section 127. Section 7-33-2109, MCA, is amended to read:

"**7-33-2109. Tax levy, debt incurrence, and bonds authorized.** (1) At the time of the annual levy of taxes, the board of county commissioners may, subject to [section 1], levy a special tax upon all property within a rural fire district for the purpose of buying or maintaining fire protection facilities and apparatus, including emergency response apparatus, for the district or for the purpose of paying to a city, town, or private fire service the consideration provided for in any contract with the council of the city, town, or private fire service for the purpose of furnishing fire protection service to property within the district. The tax must be collected as are other taxes.

(2) The board of county commissioners or the trustees, if the district is governed by trustees, may pledge the income of the district, subject to the requirements and limitations of 7-33-2105(3), to secure financing necessary to procure equipment and buildings to house the equipment.

(3) In addition to the levy authorized in subsection (1), a district may borrow money by the issuance of bonds to provide funds for the payment of all or part of the cost of buying or maintaining fire protection facilities and apparatus, including emergency response apparatus, for the district.

(4) The amount of debt incurred pursuant to subsection (2) and the amount of bonds issued pursuant to subsection (3) and outstanding at any time may not exceed 18% of the taxable value of the property in the district as ascertained by the most recent assessment for state and county taxes prior to the incurrence of debt or the issuance of the bonds.

(5) The bonds must be authorized, sold, and issued and provisions must be made for their payment in the manner and subject to the conditions and limitations prescribed for the issuance of bonds by counties under Title 7, chapter 7, part 22."

Section 128. Section 7-33-2209, MCA, is amended to read:

"**7-33-2209. Finance of fire control activities.** (1) The county governing body ~~is authorized to~~ may appropriate funds for the purchase, care, and maintenance of firefighting equipment or for the payment of wages in prevention, detection, and suppression of fires.

(2) ~~If~~ Subject to [section 1], if the general fund is budgeted to the full limit, the county governing body may, at any time fixed by law for levy and assessment of taxes, levy a tax of up to 2 mills or at a rate that will raise $15,000, whichever is higher."

Section 129. Section 7-33-4111, MCA, is amended to read:

"**7-33-4111. Tax levy for volunteer fire departments.** For the purpose of supporting volunteer fire departments in any city or town ~~which~~ that does not have a paid fire department and for the purpose of purchasing the necessary equipment for them, the council in any city or town may, subject to [section 1], levy, in addition to other levies permitted by law, a special tax not exceeding 4 mills upon all of the property of the city or town subject to taxation."

Section 130. Section 7-33-4130, MCA, is amended to read:

"**7-33-4130. Group insurance for firefighters -- funding.** (1) Cities of the first and second class, if they provide insurance for other city employees under Title 2, chapter 18, part 7, shall:

(a) provide the same insurance to their respective firefighters;

(b) pay no less than the premium rate in effect as of July 1, 1980, for insurance coverage for firefighters and their dependents notwithstanding the provisions of Title 2, chapter 18, part 7;

(c) provide for collective bargaining or other agreement processes to negotiate additional premium payments beyond the amount guaranteed by subsection (1)(b).

(2) ~~Those~~ Subject to [section 1], those incorporated cities and towns ~~which~~ that require additional funds to finance the provisions of this section may levy on property, by the amount required to meet these provisions, a tax not to exceed 2 mills on the dollar upon all property in the respective city or town. This levy ~~shall~~ must be collected in the same manner and at the same time as other taxes are levied."

Section 131. Section 7-34-102, MCA, is amended to read:

"**7-34-102. Special mill levy permitted.** (1) ~~In~~ Subject to [section 1] and in addition to all other levies authorized by law, each county, city, or town may levy an annual tax up to 1 mill on the dollar of the taxable value of all taxable property within the county, city, or town to defray the costs incurred in providing ambulance service.

(2) In addition to the levy authorized by subsection (1), a county, city, or town may levy an

additional 2 mills for the support of ambulance services if, at a regularly scheduled election, the electorate of the county, city, or town approves the imposition of the additional levy."

Section 132. Section 7-34-2122, MCA, is amended to read:

"**7-34-2122. Powers of district.** A hospital district ~~shall have~~ has all powers necessary and convenient to the acquisition, betterment, operation, maintenance, and administration of ~~such~~ hospital facilities ~~as~~ that its board of trustees ~~shall deem~~ considers necessary and expedient. ~~Without limitation on the foregoing~~ In addition to the general grant of powers, a hospital district, acting by its board of trustees, may:

(1) employ nursing, administrative, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits or by ~~such~~ fees ~~as~~ that may be agreed upon;

(2) cause reports, plans, studies, and recommendations to be prepared;

(3) lease, purchase, and contract for the purchase of real and personal property by option, contract for deed, or otherwise and acquire real or personal property by gift;

(4) lease or construct, equip, ~~and~~ furnish, and maintain necessary buildings and grounds ~~and maintain the same~~;

(5) adopt, by resolution, rules for the operation and administration of ~~any and all~~ hospital facilities under its control and for the admission of persons ~~thereto~~ to the facilities;

(6) impose by resolution and collect charges for all services and facilities provided and made available by it;

(7) subject to [section 1], levy taxes as ~~hereinafter~~ prescribed in this part;

(8) borrow money by the issuance of its bonds as ~~hereinafter~~ prescribed in this part;

(9) borrow money by the issuance of notes;

(10) procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, and against damage to or destruction of any of its facilities, equipment, or other property;

(11) sell or lease any of its facilities or equipment as may be ~~deemed~~ considered expedient;

(12) cause audits to be made of its accounts, books, vouchers, and funds by competent public accountants; and

(13) provide educational benefits to qualified individuals, including the payment of tuition, room and board, educational materials, and stipends and the repayment of student loans in return for an agreement by those persons to provide services to the district."

Section 133. Section 7-34-2133, MCA, is amended to read:

"**7-34-2133. Levy of district taxes -- limit on mill levy.** (1) ~~The~~ Subject to [section 1], the board of county commissioners ~~must~~ shall, annually at the time of levying county taxes, fix and levy a tax ~~(in mills)~~ upon all property within ~~said~~ the hospital district clearly sufficient to raise the amount certified by the board of hospital trustees under 7-34-2132.

(2) The tax ~~so~~ levied for all hospital district purposes other than payment of bonded indebtedness ~~shall~~ may not in any year exceed 3 mills on each dollar of taxable valuation of property within ~~said~~ the district."

Section 134. Section 7-34-2417, MCA, is amended to read:

"**7-34-2417. Special tax levy authorized.** In the event the bonds are not paid or are not expected to be paid from ordinary revenue of the facility, a county that has issued bonds under 7-34-2411 for a health care facility may, subject to [section 1], levy taxes on all taxable property within the county in the manner provided for public hospital districts under 7-34-2133, 7-34-2134, 7-34-2135(1), and 7-34-2136, up to a maximum of 3 mills not submitted to a vote of the people and 3 additional mills approved by a vote of the people."

Section 135. Section 7-35-2122, MCA, is amended to read:

"**7-35-2122. County tax levy.** ~~The~~ Subject to [section 1], the board of county commissioners ~~must~~ shall, annually at the time of levying county taxes, fix and levy upon all property within the cemetery district an amount sufficient to raise the amount certified by the board of cemetery trustees to be raised by a tax on the property of the district. The tax may not exceed 4 mills on each dollar of taxable valuation on the property of the district."

Section 136. Section 10-3-405, MCA, is amended to read:

"**10-3-405. Levying emergency tax -- disposition of surplus.** (1) The governing body of the city

or town or the governing body of the county, or both, shall estimate expenditures and, subject to [section 1], levy an emergency millage to cover the expenditures. The millage levied by the governing body of the city or town ~~shall~~ may not exceed 2 mills on the municipality's taxable valuation. The millage levied by the governing body of the county ~~shall~~ may not exceed 2 mills on the taxable valuation of the county outside the municipalities.

(2) ~~No~~ An expenditure of revenue received from the millage ~~shall~~ may not be made without approval of the appropriate levying body.

(3) ~~An~~ Subject to [section 1], an additional levy or levies may be made by the appropriate levying body, providing that the sum of the levies for emergencies as set forth in this section ~~shall~~ may not exceed 2 mills in any ~~one~~ 1 year.

(4) All levies under this section may be passed only by a ~~unanimous~~ majority vote of the appropriate body.

(5) Funds levied for an emergency and remaining when ~~no~~ further expenditures are not necessary ~~shall~~ must remain in a separate emergency fund and ~~shall~~ must be used only for expenditures arising from future emergencies."

Section 137. Section 13-13-230, MCA, is amended to read:

"**13-13-230. Authorization to increase county mill levy.** ~~Each~~ Subject to [section 1], a county may levy an amount not exceeding 1 mill as may be necessary to finance the additional cost of administering a special absentee election board program pursuant to 13-13-225 through 13-13-229. ~~Such~~ The mill levy may not be included as part of any existing mill levy or special mill levy assessed by the county. The amount of any mill levy adopted under this section must be reasonably related to the actual cost of providing services as required by 13-13-225 through 13-13-229."

Section 138. Section 15-1-402, MCA, is amended to read:

"**15-1-402. Payment of taxes under protest.** (1) The person upon whom a property tax or fee is being imposed under this title may, before the property tax or fee becomes delinquent, pay under written protest that portion of the property tax or fee protested. The protested payment must:

(a) be made to the officer designated and authorized to collect it;

(b) specify the grounds of protest; and

(c) not exceed the difference between the payment for the immediately preceding tax year and the amount owing in the tax year protested unless a different amount results from the specified grounds of protest, which may include but are not limited to changes in assessment due to reappraisal under 15-7-111.

(2) A person appealing a property tax or fee pursuant to chapter 2 or 15 shall pay the tax or fee under protest when due in order to receive a refund. If the tax or fee is not paid under protest when due, the appeal may continue but a tax or fee may not be refunded as a result of the appeal.

(3) If a protested property tax or fee is payable in installments, a subsequent installment portion considered unlawful by the state tax appeal board need not be paid and an action or suit need not be commenced to recover the subsequent installment. The determination of the action or suit commenced to recover the first installment portion paid under protest determines the right of the party paying the subsequent installment to have it or any part of it refunded to the party or the right of the taxing authority to collect a subsequent installment not paid by the taxpayer plus interest from the date the subsequent installment was due.

(4) All property taxes and fees paid under protest to a county or municipality must be deposited by the treasurer of the county or municipality to the credit of a special fund to be designated as a protest fund and must be retained in the protest fund until the final determination of any action or suit to recover the taxes and fees unless they are released at the request of the county, municipality, or other local taxing jurisdiction pursuant to subsection (5). This section does not prohibit the investment of the money of this fund in the state unified investment program or in any manner provided in Title 7, chapter 6. The provision creating the special protest fund does not apply to any payments made under protest directly to the state.

(5) The governing board of a taxing jurisdiction affected by the payment of taxes under protest in the second and subsequent years that a tax protest remains unresolved may demand that the treasurer of the county or municipality pay the requesting taxing jurisdiction all or a portion of the protest payments to which it is entitled, except the amount paid by the taxpayer in the first year of the protest. The decision in a previous year of a taxing jurisdiction to leave protested taxes in the protest fund does not preclude it from demanding in a subsequent year any or all of the payments to which it is entitled, except the first-year protest amount.

(6) (a) If action before the county tax appeal board, state tax appeal board, or district court is not

commenced within the time specified or if the action is commenced and finally determined in favor of the department of revenue, county, municipality, or treasurer of the county or the municipality, the amount of the protested portions of the property tax or fee must be taken from the protest fund and deposited to the credit of the fund or funds to which the property tax belongs, less a pro rata deduction for the costs of administration of the protest fund and related expenses charged the local government units.

(b) If the action is finally determined adversely to the department of revenue, a county, a municipality, or the treasurer of a county or a municipality, then the treasurer shall, upon receiving a certified copy of the final judgment in the action from the state tax appeal board or from the district or supreme court, as appropriate, if the final action of the state tax appeal board is appealed in the time prescribed, refund to the person in whose favor the judgment is rendered the amount of the protested portions of the property tax or fee deposited in the protest fund, and not released pursuant to subsection (5), as the person holding the judgment is entitled to recover, together with interest from the date of payment under protest, at the greater of:

(i) the rate of interest generated from the pooled investment fund provided for in 17-6-203 for the applicable period; or

(ii) 6% a year.

(c) If the amount retained in the protest fund is insufficient to pay all sums due the taxpayer, the treasurer shall apply the available amount first to tax repayment, then interest owed, and lastly to costs.

(d) If the protest action is decided adversely to a taxing jurisdiction and the amount retained in the protest fund is insufficient to refund the tax payments and costs to which the taxpayer is entitled and for which local government units are responsible, the treasurer shall bill and the taxing jurisdiction shall refund to the treasurer that portion of the taxpayer refund, including tax payments and costs, for which the taxing jurisdiction is proratably responsible.

(e) In satisfying the requirements of subsection (6)(d), the taxing jurisdiction is allowed not more than 1 year from the beginning of the fiscal year following a final resolution of the protest. The taxpayer is entitled to interest on the unpaid balance at the greater of the rates referred to in subsections (6)(b)(i) and (6)(b)(ii) from the date of payment under protest until the date of final resolution of the protest and at the combined rate of the federal reserve discount rate quoted from the federal reserve bank in New York, New York, on the date of final resolution, plus four percentage points, from the date of final resolution of the protest until refund is made.

(7) A taxing jurisdiction may satisfy the requirements of this section by use of funds from one or more of the following sources:

(a) subject to [section 1], imposition of a property tax to be collected by a special tax protest refund levy;

(b) the general fund, except that amount generated by the all-purpose mill levy, or any other funds legally available to the governing body; and

(c) proceeds from the sale of bonds issued by a county, city, or school district for the purpose of deriving revenue for the repayment of tax protests lost by the taxing jurisdiction. The governing body of a county, city, or school district is authorized to issue the bonds pursuant to procedures established by law. The bonds may be issued without being submitted to an election. ~~Property~~ Subject to [section 1], property taxes may be levied to amortize the bonds."

Section 139. Section 15-7-403, MCA, is amended to read:

"**15-7-403. Rollback tax -- computation.** (1) (a) ~~If~~ Subject to [section 1], if land and improvements appraised as residential as a result of an application filed under 15-7-402 are changed to industrial or commercial use, the property is subject to a rollback tax in addition to the property tax levied on the property. The rollback tax is a lien on the property and is due and payable by the owner of the property at the time of the change in use.

(b) As used in this section, "rollback" means the period preceding the change in use, not to exceed 5 years, during which the property was appraised as residential.

(2) The department shall determine the amount of rollback tax due on the property by:

(a) determining the taxable value of the property as industrial or commercial property;

(b) multiplying this value by the sum of the annual mill levies applied in the taxing jurisdiction in which the land is located during the rollback period; and

(c) subtracting from this figure the actual property tax paid on the property during this period."

Section 140. Section 15-10-204, MCA, is amended to read:

"**15-10-204. Resolution or ordinance for increase over certified millage.** ~~No millage~~ Millage in excess of the department of revenue's certified millage may not be levied until a resolution or ordinance is approved by the governing board of the taxing authority~~, which~~. The resolution or ordinance must be

approved by the taxing authority according to the following procedure:

(1) The taxing authority shall publish notice of its intent to exceed the department's certified millage in the same manner that it gives notice of hearings on its preliminary or proposed budget for the forthcoming fiscal year. The notice must state that the taxing authority will meet on a day, at a time and place fixed in the notice, which must be approximately 7 days after the day that the notice is published, for the purpose of hearing comments regarding the proposed increase and to explain the reasons for the proposed increase. The meeting may coincide with the meeting on the tentative budget as required by law.

(2) After the public hearing has been held in accordance with the ~~above~~ procedures provided in subsection (1), the taxing authority may, subject to [section 1], adopt a resolution or ordinance levying a millage rate in excess of the certified millage. If the resolution or ordinance adopting ~~such~~ the millage rate is not approved on the day of the public hearing, the day, time, and place at which the resolution or ordinance will be scheduled for consideration and approval by the taxing authority must be announced at the public hearing. If the resolution or ordinance is to be considered at a day and time that is more than 2 weeks from the public hearing, the taxing authority ~~must~~ shall again publish notice in the same manner as provided in subsection (1)."

Section 141. Section 15-10-205, MCA, is amended to read:

"**15-10-205. Approval and copies of resolution or ordinance.** The resolution or ordinance approved in the manner provided for in this part must be forwarded to the county treasurer and the department. Millage in excess of the department's certified millage may not be levied until the resolution or ordinance to levy required in 15-10-204 is approved by the governing board of the taxing authority and as provided in [section 1] and is submitted to the department."

Section 142. Section 15-10-401, MCA, is amended to read:

"**15-10-401. Declaration of policy.** (1) The state of Montana's reliance on the taxation of property to support education and local government has placed an unreasonable burden on the owners of all classes of property described in Title 15, chapter 6, part 1.

(2) Except as provided in ~~15-10-412~~ [section 1], the people of the state of Montana declare that it is the policy of the state of Montana that no further property tax increases be imposed on property. In

order to reduce volatility in property taxation and in order to reduce taxpayer uncertainty, it is the policy of the legislature to develop alternatives to market value for purposes of taxation."

Section 143. Section 15-10-402, MCA, is amended to read:

"**15-10-402. Property tax limited to 1996 levels.** Except as provided in ~~15-10-412~~ [section 1], the amount of taxes levied on property described in Title 15, chapter 6, part 1, may not, for any taxing jurisdiction, exceed the amount levied for tax year 1996."

Section 144. Section 15-16-117, MCA, is amended to read:

"**15-16-117. Personal property -- treasurer's duty to collect certain taxes.** (1) The county treasurer shall demand payment of poor fund taxes, authorized by 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, ~~of every~~ from each person liable for the taxes whose name does not appear on the property tax record. On the neglect or refusal of a person to pay the taxes, the treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) ~~These~~ Subject to [section 1], these taxes must be added in the property tax record to other property taxes of persons paying taxes upon real and personal property and must be paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of property by the county treasurer for the taxes is regulated by 15-16-119 and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 145. Section 15-16-203, MCA, is amended to read:

"**15-16-203. Assessment of property previously exempt.** (1) ~~Real~~ Subject to [section 1], real property or improvements exempt from taxation under Title 15, chapter 6, that during a tax year become the property of a person subject to taxation must be assessed and taxed from the date of change from a nontaxable status to a taxable status.

(2) As provided in subsection (3), the county treasurer shall adjust the tax that would have been due and payable for the current year on the property under 15-16-102 if the property was not exempt.

(3) To determine the amount of tax due for previously exempt property, the county treasurer shall

multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property will be in taxable status bears to 365.

(4) If the property has not been assessed and taxed during the taxable year because of exemption, the department shall prepare a special assessment for the property and the county treasurer shall determine the amount of taxes that would have been due under subsection (2).

(5) Upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due and the date or dates on which the taxes due are payable as provided in 15-16-102."

Section 146. Section 15-23-214, MCA, is amended to read:

"**15-23-214. Determination of tax -- payment.** (1) ~~On~~ Subject to [section 1] and on or before the third Monday in October, the department of revenue shall compute the tax on railroad car company property by multiplying the taxable value of the property by the average levy.

(2) After determining the tax, the department shall send to the last-known address of each railroad car company subject to taxation a written notice, postage prepaid, showing the amount of taxes due for the current year and any delinquent amount for prior years. The notice must include the taxable value of the property and the average levy used to compute the tax.

(3) The tax is due and payable to the department under the provisions of 15-16-102. A tax not received by the department within the time requirements of 15-16-102 is delinquent and subject to penalty and interest under that section."

Section 147. Section 15-24-922, MCA, is amended to read:

"**15-24-922. Board of livestock to prescribe per capita levy -- refunds -- per capita levy on average inventory.** (1) ~~The~~ Subject to [section 1], the board of livestock shall annually prescribe the amount of the per capita levy to be made against livestock of all classes for the purpose indicated in 15-24-921.

(2) The per capita tax levy must be calculated each year ~~to provide not more than 110% of the average annual revenue that was generated in the 3 previous years~~ in order to comply with [section 1]. The calculation must apply a reasonable factor for nonpayment and late payment of taxes and for reimbursement to the counties pursuant to 15-24-925 for collection of the levy.

(3) (a) A livestock owner taxed under 15-24-920 is entitled to a refund of the per capita levy

collected under 15-24-921 based on the number of months the livestock have taxable situs in the state. The amount of the refund is equal to the ratio of the number of months that the livestock do not have taxable situs in the state to the number of months in the tax year, multiplied by the original per capita levy due. A taxpayer shall apply to the board of livestock on a form prescribed by the board for a refund allowed under this subsection by January 31 following the taxable year. The application must include a statement showing the date when the livestock were moved out of the state.

(b) Except as provided in subsection (3)(c), for the purposes of 15-24-921 and this section, the per capita levy may not be prorated.

(c) A taxpayer whose livestock are taxed on the average inventory basis for property tax purposes must also be taxed on an average inventory basis for the purposes of 15-24-921 and this section. All other livestock subject to the per capita tax levy must be reported on February 1 of each year."

Section 148. Section 15-24-1402, MCA, is amended to read:

"**15-24-1402. New or expanding industry -- assessment -- notification.** (1) In the first 5 years after a construction permit is issued, qualifying improvements or modernized processes that represent new industry or expansion of an existing industry, as designated in the approving resolution, must be taxed at 50% of their taxable value. ~~Each~~ Subject to [section 1], each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10th year. In subsequent years, the property must be taxed at 100% of its taxable value.

(2) (a) In order for a taxpayer to receive the tax benefits described in subsection (1), the governing body of the affected county or the incorporated city or town must have approved by separate resolution for each project, following due notice as defined in 76-15-103 and a public hearing, the use of the schedule provided for in subsection (1) for its respective jurisdiction. The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval.

(b) ~~The~~ Subject to [section 1], the governing body may end the tax benefits by majority vote at any time, but the tax benefits may not be denied an industrial facility that previously qualified for the benefits.

(c) The resolution provided for in subsection (2)(a) must include a definition of the improvements or modernized processes that qualify for the tax treatment that is to be allowed in the taxing jurisdiction.

The resolution may provide that real property other than land, personal property, improvements, or any combination thereof is eligible for the tax benefits described in subsection (1).

(3) The taxpayer shall apply to the department for the tax treatment allowed under subsection (1). The application by the taxpayer must first be approved by the governing body of the appropriate local taxing jurisdiction, and the governing body shall indicate in its approval that the property of the applicant qualifies for the tax treatment provided for in this section. Upon receipt of the form with the approval of the governing body of the affected taxing jurisdiction, the department shall make the assessment change pursuant to this section.

(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. The benefit described in subsection (1) may not apply to levies or assessments required under Title 15, chapter 10, 20-9-331, 20-9-333, or 20-9-360 or otherwise required under state law.

(5) Prior to approving the resolution under this section, the governing body shall notify by certified mail all taxing jurisdictions affected by the tax benefit."

Section 149. Section 15-24-1501, MCA, is amended to read:

"**15-24-1501. Remodeling, reconstruction, or expansion of buildings or structures -- assessment provisions -- levy limitations.** (1) Subject to [section 1] and the authority contained in subsection (4) of this section, remodeling, reconstruction, or expansion of existing buildings or structures, which increases their taxable value by at least 2 1/2% as determined by the department, may receive tax benefits during the construction period and for the following 5 years in accordance with subsections (2) through (4) and the following schedule. The percentages must be applied as provided in subsections (3) and (4) and are limited to the increase in taxable value caused by remodeling, reconstruction, or expansion:

Construction period	0%
First year following construction	20%
Second year following construction	40%
Third year following construction	60%
Fourth year following construction	80%
Fifth year following construction	100%

Following years 100%

(2) In order to confer the tax benefits described in subsection (1), the governing body of the affected county or, if the construction will occur within an incorporated city or town, the governing body of the incorporated city or town ~~must~~ shall approve by resolution for each remodeling, reconstruction, or expansion project the use of the schedule provided for in subsection (1) or a schedule adopted pursuant to subsection (4).

(3) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the local governing body approving the benefit. The benefit described in subsection (1) may not apply to statewide levies.

(4) A local government may, in the resolution required by subsection (2), modify the percentages contained in subsection (1) that apply to the first year following construction through the fourth year following construction. A local government may not modify the percentages contained in subsection (1) that apply to the fifth year following construction or years following the fifth year. A local government may not modify the time limits contained in subsection (1). The modifications to the percentages in subsection (1) adopted by a local government apply uniformly to each remodeling, reconstruction, or expansion project approved by the governing body."

Section 150. Section 15-24-1603, MCA, is amended to read:

"**15-24-1603. Historic property tax abatement -- levy limitations.** (1) ~~A~~ Subject to [section 1], a historic property undergoing rehabilitation, restoration, expansion, or new construction that meets criteria established by the review process described in 15-24-1605 or 15-24-1606 may receive a tax abatement during the construction period, not to exceed 12 months, and for up to 5 years following completion of the construction in accordance with subsections (2) and (3). The tax abatement is limited to 100% of the increase in taxable value caused by the rehabilitation, restoration, expansion, or new construction.

(2) In order to confer the tax benefits described in subsection (1), the governing body of the county or incorporated city or town where the improvement occurs shall establish by resolution the process for the use of the tax abatement provisions described in subsection (1).

(3) Property that receives a tax benefit under this part is not entitled to any other exemption or special valuation provided by Montana law during the period of the abatement.

(4) (a) The tax abatement applies only to the number of mills levied:

(i) for high school and elementary school district purposes; and

(ii) by the local governing body approving the abatement.

(b) The abatement may not apply to statewide levies."

Section 151. Section 15-36-323, MCA, is amended to read:

"**15-36-323. Calculation of unit value.** For the purposes of distribution of oil and natural gas production taxes to county and school taxing units for production from pre-1985 wells, the department shall determine the unit value of oil and natural gas for each taxing unit as follows:

(1) Subject to the conditions of subsection (3), the unit value for oil for each taxing unit is the quotient obtained by dividing the net proceeds taxes calculated on oil produced and sold in that taxing unit in calendar year 1988 by the number of barrels of oil produced in that taxing unit during 1988, excluding post-1985 wells.

(2) Subject to the conditions of subsection (3), the unit value for natural gas is the quotient obtained by dividing the net proceeds taxes calculated on natural gas produced and sold in that taxing unit in calendar year 1988 by the number of cubic feet of natural gas produced in that taxing unit during 1988, excluding post-1985 wells.

(3) The amount of net proceeds taxes calculated under subsections (1) and (2) may not include the amount of taxes that are attributable to a voted levy~~, as described in 15-10-412(7),~~ for which additional mills were levied in fiscal year 1990."

Section 152. Section 19-3-204, MCA, is amended to read:

"**19-3-204. Tax levy to meet employer's obligations.** (1) ~~If~~ Subject to [section 1], if the required contributions to the retirement system exceed the funds available to a contracting employer from general revenue sources, the contracting employer may budget, levy, and collect annually a special tax upon the assessable property of the contracting employer in the number of cents per $100 of assessable property as is sufficient to raise the amount estimated by the legislative body to be required to provide sufficient revenue to meet the obligation of the contracting employer to the retirement system. The rate of taxation may be in addition to the annual rate of taxation allowed by law to be levied by the contracting employer.

(2) A person who is a member or designated beneficiary of the retirement system because of the

participation of the contracting employer may maintain the appropriate action or proceeding to require the contracting employer to budget, levy, and collect the special tax authorized in subsection (1)."

Section 153. Section 19-7-404, MCA, is amended to read:

"**19-7-404. Employer contributions.** (1) The employer shall pay monthly 9.535% of each member's gross compensation into the pension trust fund created by this chapter.

(2) If the required contribution to the retirement system exceeds the funds available to a county from general revenue sources, a county may, subject to [section 1], budget, levy, and collect annually a special tax on the assessable property within the county that is sufficient to raise the amount of revenue needed to meet the county's obligation. This tax may be in addition to the annual rate of taxation allowed by law to be levied by the county."

Section 154. Section 19-9-209, MCA, is amended to read:

"**19-9-209. Taxing authority of employers.** (1) For the purpose of making contributions required of a city under this chapter, when the demand for deposits of ~~such~~ contributions cannot be met within the general taxing authority and other revenues available to the city for that purpose, the appropriate authority of the city may, subject to [section 1], levy any additional tax authorized by law until the general taxing authority and other revenue available for that purpose is sufficient to meet the demand.

(2) "General taxing authority", as used in this section, means ~~that~~ the levy ~~which~~ that the city may make under the all-purpose levy or under multiple-purpose levies, if the city is using multiple-purpose levies.

(3) No provision of any statute relating to the all-purpose levy may be ~~so~~ construed ~~as~~ to limit the additional taxing authority created by this section."

Section 155. Section 19-13-214, MCA, is amended to read:

"**19-13-214. Taxing authority of employers.** (1) For the purpose of making contributions required of a city under this chapter, whenever the demand for deposits of ~~such~~ contributions cannot be met within the general taxing authority and other ~~revenues~~ revenue available to the city for that purpose, the appropriate authority of the city may, subject to [section 1], levy any additional tax authorized by law until the general taxing authority and other revenue available for that purpose is sufficient to meet the demand.

(2) "General taxing authority", as used in this section, means ~~that~~ the levy ~~which~~ that the city may make under the all-purpose levy or under multiple-purpose levies, if the city is using multiple-purpose levies.

(3) No provision of any statute relating to the all-purpose levy may be ~~so~~ construed ~~as~~ to limit the additional taxing authority created by this section."

Section 156. Section 19-18-504, MCA, is amended to read:

"**19-18-504. Amount of special tax levy.** ~~Whenever~~ Subject to [section 1], whenever the fund contains an amount ~~which~~ that is less than 4% of the taxable valuation of all taxable property in the city or town, the city council shall levy an annual special tax of not less than 1 mill and not more than 4 mills on each dollar of taxable valuation of all taxable property within the city or town."

Section 157. Section 19-19-301, MCA, is amended to read:

"**19-19-301. City's contribution to fund.** Each city, other than one of the first or second class, ~~which~~ that has a police retirement fund and ~~which~~ that did not elect to join the statewide police reserve fund provided for in Chapter 335, Laws of 1974, and has not elected to participate in the plan under 19-9-207 shall deposit in its fund monthly an amount equal to 11% of the total salaries for the preceding month paid to active police officers of ~~such~~ the city, exclusive of overtime and payments in lieu of sick leave and annual leave. ~~If~~ Subject to [section 1], if the demand against a city for deposits in its fund ~~is such that it~~ cannot be met within the general taxing authority of the city, an additional levy not to exceed 3 mills may be made until the general taxing authority is sufficient to meet the demand."

Section 158. Section 20-3-205, MCA, is amended to read:

"**20-3-205. Powers and duties.** The county superintendent has general supervision of the schools of the county within the limitations prescribed by this title and shall perform the following duties or acts:

(1) determine, establish, and reestablish trustee nominating districts in accordance with the provisions of 20-3-352, 20-3-353, and 20-3-354;

(2) administer and file the oaths of members of the boards of trustees of the districts in the county in accordance with the provisions of 20-3-307;

(3) register the teacher or specialist certificates or emergency authorization of employment of any

person employed in the county as a teacher, specialist, principal, or district superintendent in accordance with the provisions of 20-4-202;

(4) act on each tuition and transportation obligation submitted in accordance with the provisions of 20-5-323 and 20-5-324;

(5) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

(6) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

(7) keep a transcript and reconcile the district boundaries of the county in accordance with the provisions of 20-6-103;

(8) fulfill all responsibilities assigned under the provisions of this title regulating the organization, alteration, or abandonment of districts;

(9) act on any unification proposition and, if approved, establish additional trustee nominating districts in accordance with 20-6-312 and 20-6-313;

(10) estimate the average number belonging (ANB) of an opening school in accordance with the provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

(11) process and, when required, act on school isolation applications in accordance with the provisions of 20-9-302;

(12) complete the budgets, compute the budgeted ~~revenues~~ revenue and tax levies, file final budgets and budget amendments, and fulfill other responsibilities assigned under the provisions of this title regulating school budgeting systems;

(13) submit an annual financial report to the superintendent of public instruction in accordance with the provisions of 20-9-211;

(14) monthly, unless otherwise provided by law, order the county treasurer to apportion state money, county school money, and any other school money subject to apportionment in accordance with the provisions of 20-9-212, 20-9-335, 20-9-347, 20-10-145, or 20-10-146;

(15) act on any request to transfer average number belonging (ANB) in accordance with the provisions of 20-9-313(3);

(16) calculate the estimated budgeted general fund sources of revenue in accordance with the general fund revenue provisions of the general fund part of this title;

(17) compute the ~~revenues~~ revenue and, subject to [section 1], compute the district and county levy requirements for each fund included in each district's final budget and report the computations to

the board of county commissioners in accordance with the provisions of the general fund, transportation, bonds, and other school funds parts of this title;

(18) file and forward bus driver certifications, transportation contracts, and state transportation reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

(19) for districts that do not employ a district superintendent or principal, recommend library book and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

(20) notify the superintendent of public instruction of a textbook dealer's activities when required under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

(21) act on district requests to allocate federal money for indigent children for school food services in accordance with the provisions of 20-10-205;

(22) perform any other duty prescribed from time to time by this title, any other act of the legislature, the policies of the board of public education, the policies of the board of regents relating to community college districts, or the rules of the superintendent of public instruction;

(23) administer the oath of office to trustees without the receipt of pay for administering the oath;

(24) keep a record of official acts, preserve all reports submitted to the superintendent under the provisions of this title, preserve all books and instructional equipment or supplies, keep all documents applicable to the administration of the office, and surrender all records, books, supplies, and equipment to the next superintendent;

(25) within 90 days after the close of the school fiscal year, publish an annual report in the county newspaper stating the following financial information for the school fiscal year just ended for each district of the county:

(a) the total of the cash balances of all funds maintained by the district at the beginning of the year;

(b) the total receipts that were realized in each fund maintained by the district;

(c) the total expenditures that were made from each fund maintained by the district; and

(d) the total of the cash balances of all funds maintained by the district at the end of the school fiscal year; and

(26) hold meetings for the members of the trustees from time to time at which matters for the good of the districts must be discussed."

Section 159. Section 20-3-324, MCA, is amended to read:

"**20-3-324. Powers and duties.** As prescribed elsewhere in this title, the trustees of each district shall:

(1) employ or dismiss a teacher, principal, or other assistant upon the recommendation of the district superintendent, the county high school principal, or other principal as the board considers necessary, accepting or rejecting any recommendation as the trustees in their sole discretion determine, in accordance with the provisions of Title 20, chapter 4;

(2) employ and dismiss administrative personnel, clerks, secretaries, teacher aides, custodians, maintenance personnel, school bus drivers, food service personnel, nurses, and any other personnel considered necessary to carry out the various services of the district;

(3) administer the attendance and tuition provisions and govern the pupils of the district in accordance with the provisions of the pupils chapter of this title;

(4) call, conduct, and certify the elections of the district in accordance with the provisions of the school elections chapter of this title;

(5) participate in the teachers' retirement system of the state of Montana in accordance with the provisions of the teachers' retirement system chapter of Title 19;

(6) participate in district boundary change actions in accordance with the provisions of the districts chapter of this title;

(7) organize, open, close, or acquire isolation status for the schools of the district in accordance with the provisions of the school organization part of this title;

(8) adopt and administer the annual budget or a budget amendment of the district in accordance with the provisions of the school budget system part of this title;

(9) conduct the fiscal business of the district in accordance with the provisions of the school financial administration part of this title;

(10) subject to [section 1], establish the ANB, BASE budget levy, over-BASE budget levy, additional levy, operating reserve, and state impact aid amounts for the general fund of the district in accordance with the provisions of the general fund part of this title;

(11) establish, maintain, budget, and finance the transportation program of the district in accordance with the provisions of the transportation parts of this title;

(12) issue, refund, sell, budget, and redeem the bonds of the district in accordance with the

provisions of the bonds parts of this title;

(13) when applicable, establish, financially administer, and budget for the tuition fund, retirement fund, building reserve fund, adult education fund, nonoperating fund, school food services fund, miscellaneous programs fund, building fund, lease or rental agreement fund, traffic education fund, impact aid fund, interlocal cooperative agreement fund, and other funds as authorized by the state superintendent of public instruction in accordance with the provisions of the other school funds parts of this title;

(14) when applicable, administer any interlocal cooperative agreement, gifts, legacies, or devises in accordance with the provisions of the miscellaneous financial parts of this title;

(15) hold in trust, acquire, and dispose of the real and personal property of the district in accordance with the provisions of the school sites and facilities part of this title;

(16) operate the schools of the district in accordance with the provisions of the school calendar part of this title;

(17) establish and maintain the instructional services of the schools of the district in accordance with the provisions of the instructional services, textbooks, vocational education, and special education parts of this title;

(18) establish and maintain the school food services of the district in accordance with the provisions of the school food services parts of this title;

(19) make reports from time to time as the county superintendent, superintendent of public instruction, and board of public education may require;

(20) retain, when considered advisable, a physician or registered nurse to inspect the sanitary conditions of the school or the general health conditions of each pupil and, upon request, make available to any parent or guardian any medical reports or health records maintained by the district pertaining to the child;

(21) for each member of the trustees, visit each school of the district not less than once each school fiscal year to examine its management, conditions, and needs, except trustees from a first-class school district may share the responsibility for visiting each school in the district;

(22) procure and display outside daily in suitable weather on school days at each school of the district an American flag that measures not less than 4 feet by 6 feet;

(23) provide that an American flag that measures approximately 12 inches by 18 inches be prominently displayed in each classroom in each school of the district, except in a classroom in which the

flag may get soiled. This requirement is waived if the flags are not provided by a local civic group.

(24) adopt and administer a district policy on assessment for placement of any child who enrolls in a school of the district from a nonpublic school that is not accredited, as required in 20-5-110;

(25) upon request and in compliance with confidentiality requirements of state and federal law, disclose to interested parties school district student assessment data for any test required by the board of public education; and

(26) perform any other duty and enforce any other requirements for the government of the schools prescribed by this title, the policies of the board of public education, or the rules of the superintendent of public instruction."

Section 160. Section 20-6-413, MCA, is amended to read:

"**20-6-413. Cash disposition when district ceases to exist -- special levy for tuition debt.** Whenever a district ~~shall cease~~ ceases to exist in any manner prescribed in this title, except when districts are consolidated, the cash on hand to the credit of the funds of the district and the debts of ~~such~~ the former district ~~shall~~ must be allocated in the following manner:

(1) Any cash to the credit of the district ~~shall~~ must be used to pay any debts of the district, including bonded indebtedness, except that any cash available in the debt service fund ~~shall~~ must be used first to pay bond interest and all outstanding bonds.

(2) If any cash remains to the credit of the district after paying its debts, the cash ~~shall~~ must be transferred by the county treasurer to the credit of the district or districts assuming its territory. When the territory is assumed by more than one district, the remaining cash ~~shall~~ must be prorated between the districts on the basis of the number of children attending school and residing within the territory assumed by each district as determined by the county superintendent.

(3) If any tuition debt remains as an obligation of the district, the tuition debt ~~shall be~~ is the obligation of the taxable property of the discontinued district, except when the tuition debt has been assumed by the consolidated or annexing district. ~~The~~ Subject to [section 1], the tuition debt ~~shall~~ must be financed by a mill levy on the property of the discontinued district and paid from these proceeds by the county superintendent.

(4) If any debts, other than bonded indebtedness and tuition, remain as an obligation of the district after the cash has been utilized under the provisions of subsection (1) ~~above~~, the debts ~~shall~~ must

be assigned in the same manner prescribed for the transfer of cash under subsection (2) ~~above~~."

Section 161. Section 20-7-705, MCA, is amended to read:

"**20-7-705. Adult education fund.** (1) A separate adult education fund must be established when an adult education program is operated by a district or community college district. The financial administration of the fund must comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

(2) Whenever the trustees of a district establish an adult education program under the provisions of 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education fund is the depository for all district money received by the district in support of the adult education program. Federal and state adult education program money must be deposited in the miscellaneous programs fund.

(3) ~~The~~ Subject to [section 1], the trustees of a district may authorize the levy of a tax of not more than 1 mill on the district, except that trustees of a county high school district may, whether or not the county high school district is unified with an elementary district under the provisions of 20-6-312, authorize a levy of not more than 2 mills on the district and a K-12 school district formed under the provisions of 20-6-701 may authorize a levy of not more than 3 mills on the district, for the operation of an adult education program.

(4) Whenever the trustees of a district decide to offer an adult education program during the ensuing school fiscal year, they shall budget for the cost of the program in the adult education fund of the final budget. Any expenditures in support of the adult education program under the final adult education budget must be made in accordance with the financial administration provisions of this title for a budgeted fund.

(5) When a tax levy for an adult education program is included as a revenue item on the final adult education budget, the county superintendent shall report the levy requirement to the county commissioners on the fourth Monday of August and a levy on the district must be made by the county commissioners in accordance with 20-9-142."

Section 162. Section 20-7-714, MCA, is amended to read:

"**20-7-714. County adult literacy programs -- authorization to levy tax and establish fund.** (1) (a)

~~The~~ Subject to [section 1], the governing body of a county may, in its discretion, establish a fund and levy up to 1 mill on each dollar of taxable property in the county for the support of county literacy programs that give first priority to providing direct instruction to adults. The tax levy is in addition to all other tax levies and is subject to limitations on property taxes set forth in 15-10-402.

(b) The fund may be used only for the support of adult literacy programs within the county.

(2) (a) If a county levies a property tax for adult literacy programs, the county governing body shall appoint a county adult literacy board to administer the expenditure of funds from the county adult literacy fund established in subsection (1).

(b) The county adult literacy board shall coordinate all adult literacy programs receiving county adult literacy funds. The board may adopt policies concerning program standards and financial accountability for organizations receiving adult literacy funds. The board may require that adult literacy programs match adult literacy funds with federal, state, or private money. The board may, with the concurrence of the appropriate county officials, arrange for county in-kind services to support adult literacy programs.

(c) County adult literacy funding may be expended only on literacy programs for persons who are 16 years of age or older and who are not regularly enrolled, full-time pupils for the purposes of ANB computation."

Section 163. Section 20-9-131, MCA, is amended to read:

"**20-9-131. Final budget meeting.** (1) On the second Monday in August, at the time and place noticed pursuant to 20-9-115, the trustees of each district shall meet to consider all budget information and any attachments required by law.

(2) The trustees may continue the meeting from day to day but shall adopt the final budget for the district and, subject to [section 1], determine the amounts to be raised by tax levies for the district not later than the fourth Monday in August and before the fixing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees' meeting and be heard on the budget of the district or on any item or amount contained in the budget."

Section 164. Section 20-9-141, MCA, is amended to read:

"**20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) ~~The~~

Subject to [section 1], the county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

(ii) amounts received in the last fiscal year for which revenue reporting was required for each of the following:

(A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323, except the amount of tuition received for a pupil who is a child with disabilities in excess of the amount received for a pupil without disabilities, as calculated under 20-5-323(2);

(B) revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204;

(C) oil and natural gas production taxes;

(D) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4);

(E) revenue from corporation license taxes collected from financial institutions under the provisions of 15-31-702; and

(F) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid; and

(iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to

determine the general fund BASE budget levy requirement.

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.

(2) ~~The~~ Subject to [section 1], the county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the general fund net levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) For each school district, the department of revenue shall calculate and report to the county superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross proceeds under 15-23-703."

Section 165. Section 20-9-142, MCA, is amended to read:

"**20-9-142. Fixing and levying taxes by board of county commissioners.** On the fourth Monday in August, the county superintendent shall place before the board of county commissioners the final adopted budget of the district. ~~It~~ Subject to [section 1], it is the duty of the board of county commissioners to fix and levy on all the taxable value of all the real and personal property within the district all district and county taxation required to finance, within the limitations provided by law, the final budget."

Section 166. Section 20-9-151, MCA, is amended to read:

"**20-9-151. Budgeting procedure for joint districts.** (1) The trustees of a joint district shall adopt

a budget according to the school budgeting laws and send a copy of ~~such~~ the budget to the county superintendent of each county in which a part of the joint district is located. After approval by the trustees of the joint district the final budgets of joint districts ~~shall~~ must be filed in the office of the county superintendent of each county in which a part of a joint district is located.

(2) The county superintendents receiving the budget of a joint district shall jointly compute the estimated budget ~~revenues~~ revenue and determine the number of mills ~~which~~ that need to be levied in the joint district for each fund for which a levy is to be made. The superintendent of public instruction shall establish a communication procedure to facilitate the joint estimation of ~~revenues~~ revenue and determination of the tax levies.

(3) After determining, in accordance with law and subject to [section 1], the number of mills ~~which~~ that need to be levied for each fund included on the final budget of the joint district, a joint statement of the required mill levies ~~shall~~ must be prepared and signed by the county superintendents involved in the computation. A copy of the statement ~~shall~~ must be delivered to the board of county commissioners of each county in which a part of the joint district is located not later than the Friday immediately preceding the second Monday in August."

Section 167. Section 20-9-152, MCA, is amended to read:

"**20-9-152. Fixing and levying taxes for joint districts.** (1) At the time of fixing levies for county and school purposes on the second Monday in August, the board of county commissioners of each county in which a part of a joint district is located shall, subject to [section 1], fix and levy taxes on that portion of the joint district located in ~~such~~ each board's county at the number of mills for each ~~such~~ levy recommended by the joint statement of the county superintendents.

(2) The board of county commissioners shall include in the amounts to be raised by the county levies for schools all the amounts required for the final budget of each part of a joint district located in the county, in accordance with the recommendations of the county superintendent."

Section 168. Section 20-9-168, MCA, is amended to read:

"**20-9-168. Emergency budget amendment tax levy.** When a budget amendment has been adopted by the board of trustees under 20-9-161(2) and a district does not have sufficient funds, including insurance proceeds and reserves, to finance the budget amendment, the district may, subject

to [section 1], levy a tax in the ensuing school year to fund the expenditures authorized by the budget amendment. The amount levied may not exceed the unfunded amount of the budget amendment."

Section 169. Section 20-9-303, MCA, is amended to read:

"**20-9-303. Nonisolated school BASE budget funding -- special education funds.** (1) An elementary school that has an ANB of nine or fewer pupils for 2 consecutive years and that is not approved as an isolated school under the provisions of 20-9-302 may budget and spend the BASE budget amount, but the county and state shall provide one-half of the direct state aid, and subject to [section 1], the district shall finance the remaining one-half of the direct state aid by a tax levied on the property of the district. When a school of nine or fewer pupils is approved as isolated under the provisions of 20-9-302, the county and state shall participate in the financing of the total amount of the direct state aid.

(2) Funds provided to support the special education program may be expended only for special education purposes as approved by the superintendent of public instruction in accordance with the special education budgeting provisions of this title. Expenditures for special education must be accounted for separately from and in addition to the balance of the school district general fund budgeting requirements provided in 20-9-307 and 20-9-308. The amount of the special education allowable cost payments that is not matched with district funds, as required in 20-9-321, will reduce by a like amount the district's ensuing year's allowable cost payment for special education."

Section 170. Section 20-9-308, MCA, is amended to read:

"**20-9-308. BASE budgets and maximum general fund budgets.** (1) The trustees of a district shall adopt a general fund budget that:

(a) except as provided in subsection (2), is at least equal to the BASE budget established for the district; or

(b) except as provided in ~~section 3, Chapter 38, Special Laws of November 1993, and~~ subsection (4) ~~of this section~~, does not exceed the maximum general fund budget established for the district.

(2) ~~(a)~~ If the BASE budget for a district for the school fiscal year is greater than the general fund budget of the district for the prior school fiscal year, the trustees of the district:

~~(i) shall increase the general fund budget by at least:~~

~~(A) 25% of the range between the district general fund budget for the school fiscal year ending~~

~~June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994;~~

~~(B) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995;~~

~~(C) 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1996, and the BASE budget for the district for the school fiscal year beginning July 1, 1996;~~ ~~or~~

~~(D) the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1, 1997;~~

~~(iii)~~ may increase the general fund budget ~~beyond the amount in subsection (2)(a)(i) but~~ by not ~~by~~ more than 4% of the previous year's general fund budget or by not more than 4% of the previous year's general fund per-ANB multiplied by the current year's ANB for budgeting purposes ~~pursuant to subsection (2)(b)~~.

~~(b) The trustees shall submit a proposition on any amount exceeding the limitations in subsection (2)(a)(i) to the electors of the district, as provided in 20-9-353.~~

(3) (a) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes.

(b) A general fund budget adopted under this subsection (3) may not exceed the greater of:

(i) 104% of the previous year's general fund budget ~~as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993~~; or

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes ~~as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993~~.

~~(4)~~ (a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year~~, as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993~~, the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that is greater than the district's general

fund budget for the current school fiscal year.

(b) ~~Except for the school fiscal year beginning July 1, 1994, the~~ The trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(6) ~~The~~ Subject to [section 1], the over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141."

Section 171. Section 20-9-331, MCA, is amended to read:

"**20-9-331. Basic county tax for elementary equalization and other revenue for county equalization of elementary BASE funding program.** (1) ~~The~~ Subject to [section 1], the county commissioners of each county shall levy an annual basic county tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204, for the purposes of elementary equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs of the school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the

BASE funding programs of all elementary districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed by this section and the revenue from the following sources must be used for the equalization of the elementary BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for the elementary county equalization fund under the provisions of 17-3-222;

(b) the portion of the federal flood control act funds distributed to a county and designated for expenditure for the benefit of the county common schools under the provisions of 17-3-232;

(c) all money paid into the county treasury as a result of fines for violations of law, except money paid to a justice's court, and the use of which is not otherwise specified by law;

(d) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established or referred to in this section;

(e) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(f) gross proceeds taxes from coal under 15-23-703;

(g) oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204."

Section 172. Section 20-9-333, MCA, is amended to read:

"**20-9-333. Basic county tax for high school equalization and other revenue for county equalization of high school BASE funding program.** (1) ~~The~~ Subject to [section 1], the county

commissioners of each county shall levy an annual basic county tax of 22 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204, for the purposes of high school equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the county's high school tuition obligation and the total of the BASE funding programs of all high school districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed in this section and the revenue from the following sources must be used for the equalization of the high school BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established in this section;

(b) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(c) gross proceeds taxes from coal under 15-23-703;

(d) oil and natural gas production taxes;

(e) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204."

Section 173. Section 20-9-360, MCA, is amended to read:

"**20-9-360. State equalization aid levy.** ~~There~~ Subject to [section 1], there is a levy of 40 mills imposed by the county commissioners of each county on all taxable property within the state, except property for which a tax or fee is required under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204. Proceeds of the levy must be remitted to the state treasurer and must be deposited to the credit of the state general fund for state equalization aid to the public schools of Montana."

Section 174. Section 20-9-404, MCA, is amended to read:

"**20-9-404. Contracts and bonds for joint construction.** The trustees of a school district may enter into a contract with the trustees of any school district within the county or with any school district in an adjoining county to provide for the joint construction of a facility upon terms and conditions mutually agreed upon between the districts. The trustees of any district executing a contract in accordance with this section may, subject to [section 1], levy taxes and issue bonds for the purpose of constructing the facilities authorized by this section."

Section 175. Section 20-9-438, MCA, is amended to read:

"**20-9-438. Preparation of debt service fund budget -- operating reserve.** (1) The trustees of each school district having outstanding bonds shall include in the debt service fund of the final budget adopted in accordance with 20-9-133 an amount of money that is necessary to pay the interest and the principal amount becoming due during the ensuing school fiscal year for each series or installment of bonds, according to the terms and conditions of the bonds and the redemption plans of the trustees.

(2) ~~The~~ Subject to [section 1], the trustees shall also include in the debt service fund of the final budget:

(a) the amount of money necessary to pay the special improvement district assessments levied against the school district that become due during the ensuing school fiscal year; and

(b) a limited operating reserve for the school fiscal year following the ensuing school fiscal year as provided in subsection (3).

(3) At the end of each school fiscal year, the trustees of a school district may designate a portion of the end-of-the-year fund balance of the debt service fund to be earmarked as a limited operating

reserve for the purpose of paying, whenever a cash flow shortage occurs, debt service fund warrants and bond obligations that must be paid from July 1 through November 30 of the school fiscal year following the ensuing school fiscal year. Any portion of the debt service fund end-of-the-year fund balance not earmarked for limited operating reserve purposes must be reappropriated to be used for property tax reduction as provided in 20-9-439.

(4) The county superintendent shall compare the final budgeted amount for the debt service fund with the bond retirement and interest requirement and the special improvement district assessments for the school fiscal year just beginning as reported by the county treasurer in the statement supplied under the provisions of 20-9-121. If the county superintendent finds that the requirement stated by the county treasurer is more than the final budget amount, the county superintendent shall increase the budgeted amount for interest or principal in the debt service fund of the final budget. The amount confirmed or revised by the county superintendent is the final budget expenditure amount for the debt service fund of the school district."

Section 176. Section 20-9-501, MCA, is amended to read:

"**20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems. The district's contribution for each employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

(2) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

(3) When the final retirement fund budget has been adopted, the county superintendent shall, subject to [section 1], establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204;

(ii) oil and natural gas production taxes;

(iii) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325;

(iv) coal gross proceeds taxes under 15-23-703;

(v) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year, excluding any guaranteed tax base aid.;

(b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in the final retirement fund budget.

(4) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(5) ~~The~~ Subject to [section 1], the county commissioners shall fix and set the county levy in

accordance with 20-9-142.

(6) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

(7) ~~The~~ Subject to [section 1], the net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151, and subject to [section 1], the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(8) ~~The~~ Subject to [section 1], the county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (4)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000."

Section 177. Section 20-10-144, MCA, is amended to read:

"**20-10-144. Computation of revenue and net tax levy requirements for district transportation fund budget.** Before the second Monday of August, the county superintendent shall compute the revenue available to finance the transportation fund budget of each district. The county superintendent shall compute the revenue for each district on the following basis:

(1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

(a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each

bus route approved by the county transportation committee and maintained by the district); plus

(b) the total of all individual transportation per diem reimbursement rates for the district as determined from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the ensuing school attendance year; plus

(c) any estimated costs for supervised home study or supervised correspondence study for the ensuing school fiscal year; plus

(d) the amount budgeted in the budget for the contingency amount permitted in 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or $100, whichever is larger, the contingency amount on the budget must be reduced to the limitation amount and used in this determination of the schedule amount; plus

(e) any estimated costs for transporting a child out of district when the child has mandatory approval to attend school in a district outside the district of residence.

(2) (a) The schedule amount determined in subsection (1) or the total transportation fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county revenue to be budgeted on the following basis:

(i) one-half is the budgeted state transportation reimbursement, except that the state transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be 50% of the schedule amount attributed to the transportation of special education pupils; and

(ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the manner provided in 20-10-146.

(b) When the district has a sufficient amount of fund balance for reappropriation and other sources of district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any remaining amount of district revenue and fund balance reappropriated must be used to reduce the county financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a)(i).

(c) The county revenue requirement for a joint district, after the application of any district money under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each county.

(3) The total of the money available for the reduction of property tax on the district for the

transportation fund must be determined by totaling:

(a) anticipated federal money received under the provisions of 20 U.S.C. 7701, et seq., or other anticipated federal money received in lieu of that federal act;

(b) anticipated payments from other districts for providing school bus transportation services for the district;

(c) anticipated payments from a parent or guardian for providing school bus transportation services for a child;

(d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in accordance with the provisions of 20-9-213(4);

(e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204;

(f) anticipated revenue from coal gross proceeds under 15-23-703;

(g) anticipated oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production;

(i) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through 20-5-324;

(j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that may be used to finance the transportation fund; and

(k) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

(4) ~~The~~ Subject to [section 1], the district levy requirement for each district's transportation fund must be computed by:

(a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation budget amount; and

(b) subtracting the amount of money available to reduce the property tax on the district, as determined in subsection (3), from the amount determined in subsection (4)(a).

(5) The transportation fund levy requirements determined in subsection (4) for each district must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the transportation fund levy requirements for the district, and subject to [section 1], the levy must be made by the county commissioners in accordance with 20-9-142."

Section 178. Section 20-10-146, MCA, is amended to read:

"**20-10-146. County transportation reimbursement.** (1) The apportionment of the county transportation reimbursement by the county superintendent for school bus transportation or individual transportation that is actually rendered by a district in accordance with this title, board of public education transportation policy, and the transportation rules of the superintendent of public instruction must be the same as the state transportation reimbursement payment, except that:

(a) if any cash was used to reduce the budgeted county transportation reimbursement under the provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

(b) when the county transportation reimbursement for a school bus has been prorated between two or more counties because the school bus is conveying pupils of more than one district located in the counties, the apportionment of the county transportation reimbursement must be adjusted to pay the amount computed under the proration; and

(c) when county transportation reimbursement is required under the mandatory attendance agreement provisions of 20-5-321.

(2) ~~The~~ Subject to [section 1], the county transportation net levy requirement for the financing of the county transportation fund reimbursements to districts is computed by:

(a) totaling the net requirement for all districts of the county, including reimbursements to a special education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory attendance agreement provisions of 20-5-321;

(b) determining the sum of the money available to reduce the county transportation net levy requirement by adding:

(i) anticipated money that may be realized in the county transportation fund during the ensuing school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204;

(ii) oil and natural gas production taxes;

(iii) anticipated local government severance tax payments for calendar year 1995 production;

(iv) coal gross proceeds taxes under 15-23-703;

(v) any fund balance available for reappropriation from the end-of-the-year fund balance in the county transportation fund;

(vi) federal forest reserve funds allocated under the provisions of 17-3-213; and

(vii) other revenue anticipated that may be realized in the county transportation fund during the ensuing school fiscal year; and

(c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy requirement from the county transportation net levy requirement.

(3) The net levy requirement determined in subsection (2)(c) must be reported to the county commissioners on the fourth Monday of August by the county superintendent, and subject to [section 1], a levy must be set by the county commissioners in accordance with 20-9-142.

(4) The county superintendent shall apportion the county transportation reimbursement from the proceeds of the county transportation fund. The county superintendent shall order the county treasurer to make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state transportation reimbursement payments."

Section 179. Section 20-10-147, MCA, is amended to read:

"**20-10-147. Bus depreciation reserve.** (1) The trustees of a district owning a bus or a two-way radio used for purposes of transportation, as defined in 20-10-101, or for purposes of conveying pupils to and from school functions or activities may establish a bus depreciation reserve fund to be used for the conversion, remodeling, or rebuilding of a bus or for the replacement of a bus or radio.

(2) Whenever a bus depreciation reserve fund is established, the trustees may include in the district's budget, in accordance with the school budgeting provisions of this title, an amount each year that does not exceed 20% of the original cost of a bus or a two-way radio. The amount budgeted may not, over time, exceed 150% of the original cost of a bus or two-way radio. The annual revenue requirement for each district's bus depreciation reserve fund, determined within the limitations of this section, must be reported by the county superintendent to the county commissioners on the fourth Monday of August as the bus depreciation reserve fund levy requirement for that district, and subject to [section 1], a levy must be made by the county commissioners in accordance with 20-9-142.

(3) Any expenditure of bus depreciation reserve fund money must be within the limitations of the district's final bus depreciation reserve fund budget and the school financial administration provisions of this title and may be made only to convert, remodel, or rebuild buses or to replace the buses or radios for which the bus depreciation reserve fund was created.

(4) Whenever the trustees of a district maintaining a bus depreciation reserve fund sell all of the district's buses and consider it to be in the best interest of the district to transfer any portion or all of the bus depreciation reserve fund balance to any other fund maintained by the district, the trustees shall submit the proposition to the electors of the district. The electors qualified to vote at the election shall qualify under 20-20-301, and the election must be called and conducted in the manner prescribed by this title for school elections. If a majority of those electors voting at the election approve the proposed transfer from the bus depreciation reserve fund, the transfer is approved and the trustees shall immediately order the county treasurer to make the approved transfer."

Section 180. Section 20-15-305, MCA, is amended to read:

"**20-15-305. Adult education tax levy.** A community college ~~shall be~~ is considered a district for the purposes of adult education and under the provisions for adult education may, subject to [section 1], levy a 1-mill tax for the support of its adult education program when the superintendent of public instruction approves ~~such~~ the program."

Section 181. Section 20-15-311, MCA, is amended to read:

"**20-15-311. Funding sources.** The annual operating budget of a community college district ~~shall~~ must be financed from the following sources:

(1) the estimated ~~revenues~~ revenue to be realized from student tuition and fees, except ~~those~~ revenue related to community service courses as defined by the board of regents;

(2) subject to [section 1], a mandatory mill levy on the community college district;

(3) subject to [section 1], the 1-mill adult education levy authorized under provisions of 20-15-305;

(4) the state general fund appropriation;

(5) an optional voted levy on the community college district that ~~shall~~ must be submitted to the electorate in accordance with general school election laws;

(6) all other income, revenue, balances, or reserves not restricted by a source outside the community college district to a specific purpose;

(7) income, revenue, balances, or reserves restricted by a source outside the community college district to a specific purpose. Student fees paid for community service courses as defined by the board of regents ~~shall be~~ are considered restricted to a specific purpose;

(8) income from a political subdivision that is designated a community college service region under 20-15-241."

Section 182. Section 20-15-313, MCA, is amended to read:

"**20-15-313. Tax levy.** On the second Monday in August, the board of county commissioners of any county where a community college district is located shall, subject to [section 1], fix and levy a tax on all the real and personal property within the community college district at the rate required to finance the mandatory mill levy prescribed by ~~subsection (1)(b) of~~ 20-15-312(1)(b) and the voted levy prescribed by ~~subsection (5) of~~ 20-15-311(5) if one has been approved by the voters. When a community college district has territory in more than one county, the board of county commissioners in each county shall fix and levy the community college district tax on all the real and personal property of the community college district situated in its county."

Section 183. Section 20-15-314, MCA, is amended to read:

"**20-15-314. Tax levy for community college service region.** ~~A~~ Subject to [section 1], a governing body designating a community college service region as provided in 20-15-241 may levy a tax on all real and personal property within the region at a rate required to finance the services offered by a community college district for the region. The levy is in addition to any other levies allowed by law and is not subject to any statutory or charter limitations on levies other than [section 1]. The levy must be made at the same time and in the same manner as the general levy of the political subdivision designating the region is made, and the ~~revenues~~ revenue generated ~~thereby~~ must be collected at the same time and in the same manner. Within 30 days of collection, the appropriate ~~revenues~~ revenue must be transmitted to the participating community college district."

Section 184. Section 20-15-326, MCA, is amended to read:

"**20-15-326. Determination of available financing -- fixing and levying property taxation for emergency budget.** (1) After the last day of the fiscal year for which an emergency budget has been adopted, the board of trustees shall determine the amount of the cash balance that is available to finance the emergency budget's outstanding warrants or registered warrants for each fund included on the emergency budget. The available amount of the cash balance of each fund must be determined by deducting from the county treasurer's yearend cash balance for the fund the outstanding warrants or registered warrants issued under the regularly adopted final budget for the fund and the cash reserve for the fund that the trustees have established, within the limitations of law, for the following fiscal year.

(2) The county treasurer shall prepare and deliver a statement on the financial cash status of each fund included on an emergency budget for a district that had an emergency budget during the preceding year to the board of county commissioners by the first Monday in August. The statement for each district emergency budget must include:

(a) the total amount of emergency warrants that are registered against each fund of the district; and

(b) the additional amount of money that is required to finance the registered warrants and interest on the warrants and that must be raised by a tax levy.

(3) For each fund of the emergency budget of each district requiring a tax levy as established by subsection (2)(b), the board of county commissioners shall, subject to [section 1] and at the time all other district and county taxes are fixed and levied, levy a tax on the taxable property of each applicable district that will raise sufficient financing to pay the amount established by the county treasurer."

Section 185. Section 20-25-423, MCA, is amended to read:

"**20-25-423. State tax levy -- support of public education institutions.** ~~The~~ Subject to [section 1], the legislature shall levy a property tax of not more than 6 mills on the taxable value of all real and personal property each year for 10 years beginning with the year 1999. All revenue from this property tax levy must be appropriated for the support, maintenance, and improvement of the Montana university system."

Section 186. Section 20-25-439, MCA, is amended to read:

"**20-25-439. Vocational-technical education -- mill levy required.** (1) ~~The~~ Subject to [section 1],

the boards of county commissioners of Cascade, Lewis and Clark, Missoula, Silver Bow, and Yellowstone Counties shall in each calendar year levy a tax of 1 1/2 mills on the dollar value of all taxable property, real and personal, located within the respective county.

(2) The funds from the mill levy must be deposited in the general fund and must be distributed for vocational-technical education on the basis of budgets approved by the board of regents."

Section 187. Section 22-1-304, MCA, is amended to read:

"**22-1-304. Tax levy -- special library fund -- bonds.** (1) ~~The~~ Subject to [section 1], the governing body of any city or county ~~which~~ that has established a public library may levy in the same manner and at the same time as other taxes are levied a special tax in the amount necessary to maintain adequate public library service, not to exceed 5 mills on the dollar, upon all property in ~~such~~ the county ~~which~~ that may be levied by the governing body of ~~such~~ the county and not to exceed 7 mills on the dollar upon all property in ~~such~~ the city ~~which~~ that may be levied by the governing body of ~~such~~ the city.

(2) (a) The governing body of any city or county may by resolution submit the question of exceeding the maximum tax levy provided in subsection (1) to a vote of the qualified electors ~~thereof~~ at the next ~~general~~ appropriate election. ~~Such~~ The resolution must be adopted at least 75 days prior to the ~~general~~ election at which the question will be voted on.

(b) Upon a petition being filed with the governing body and signed by not less than 5% of the resident taxpayers of any city or county requesting an election for the purpose of exceeding the maximum mill levy, the governing body shall submit to a vote of the qualified electors ~~thereof~~ at the next ~~general~~ election the question of exceeding the maximum mill levy. ~~Such~~ The petition must be delivered to the governing body at least 90 days prior to the ~~general~~ election at which the question will be voted on.

(c) The question ~~shall~~ must be submitted by ballots upon which the words "FOR exceeding the ... mill maximum levy and authorizing an additional ... mill(s) for the library" and "AGAINST exceeding the ... mill maximum library levy" ~~shall~~ appear, with a square before each proposition and a direction to insert an "X" mark in the square before one or the other of the propositions.

(d) The votes cast for the adoption or rejection of the question must be canvassed, and:

(i) if a majority of the voters voting on the question vote to exceed the maximum mill levy, the governing body shall levy the additional tax for the year in which the vote was taken; or

(ii) if a majority of the voters voting on the question vote to not exceed the maximum mill levy,

the maximum mill levy may not be exceeded.

(3) The municipal tax authorized in this section is in addition to all other taxes authorized by law and is not within the all-purpose mill levy established by 7-6-4451 through 7-6-4453.

(4) The proceeds of ~~such~~ the tax ~~shall~~ constitute a separate fund called the public library fund and ~~shall~~ may not be used for any purpose except those of the public library.

(5) ~~No money shall~~ Money may not be paid out of the public library fund by the treasurer of the city or county except by order or warrant of the board of library trustees.

(6) Bonds may be issued by the governing body in the manner prescribed by law for the erection and equipment of public library buildings and the purchase of land ~~therefor~~ for public library buildings."

Section 188. Section 22-1-316, MCA, is amended to read:

"**22-1-316. Joint city-county library.** (1) A county and any city or cities within the county, by action of their respective governing bodies, may join in establishing and maintaining a joint city-county library under the terms of a contract agreed upon by all parties.

(2) The expenses of a joint city-county library ~~shall~~ must be apportioned between or among the county and cities on ~~such a~~ the basis ~~as shall be~~ agreed upon in the contract.

(3) ~~The~~ Subject to [section 1], the governing body of any city or county entering into a contract may levy a special tax as provided in 22-1-304 for the establishment and operation of a joint city-county library.

(4) The treasurer of the county or of a participating city within the county, as ~~shall be~~ provided in the contract, ~~shall have~~ has custody of the funds of the joint city-county library, and the other treasurers of the county or cities joining in the contract shall transfer quarterly to ~~him~~ the designated treasurer all ~~moneys~~ money collected for the joint city-county library.

(5) The contract ~~shall~~ must provide for the disposition of property upon dissolution of the joint city-county library."

Section 189. Section 23-4-303, MCA, is amended to read:

"**23-4-303. Licensee's right to withhold deposits.** ~~In the event any~~ Subject to [section 1], if a government or governmental agency imposes a levy on a licensee by a special tax on the money ~~so~~ deposited under the parimutuel system or upon or against ~~his~~ a licensee's receipts ~~therefrom~~, the ~~said~~

licensee may withhold in addition to the ~~aforesaid~~ percent and breakage provided for in 23-4-302 the amount of the tax ~~so~~ levied."

Section 190. Section 41-5-1804, MCA, is amended to read:

"**41-5-1804. Regional detention facilities.** (1) Two or more counties may, by contract, establish and maintain a regional detention facility.

(2) For the purpose of establishing and maintaining a regional detention facility, a county may:

(a) issue general obligation bonds for the acquisition, purchase, construction, renovation, and maintenance of a regional detention facility;

(b) subject to [section 1], levy and appropriate taxes, as permitted by law, to pay its share of the cost of equipping, operating, and maintaining the facility; and

(c) exercise all powers, under the limitations prescribed by law, necessary and convenient to carry out the purposes of 41-5-1803 and this section.

(3) Contracts authorized under subsection (1) must be made pursuant to the Interlocal Cooperation Act, Title 7, chapter 11, part 1.

(4) Contracts between counties participating in a regional detention facility must:

(a) specify the responsibilities of each county participating in the agreement;

(b) designate responsibility for operation of the regional detention facility;

(c) specify the amount of funding to be contributed by each county toward payment of the cost of establishing, operating, and maintaining the regional detention facility, including the necessary expenditures for the transportation of youth to and from the facility;

(d) include the applicable per diem charge for the detention of youths in the facility, as well as the basis for any adjustment in the charge; and

(e) specify the number of beds to be reserved for the use of each county participating in the regional detention facility."

Section 191. Section 50-2-111, MCA, is amended to read:

"**50-2-111. City-county board appropriations.** If a city-county board is created, it is financed by one of the following methods:

(1) (a) The county commissioners and governing body of each participating city may mutually

agree upon the division of expenses.

(b) The county's part of the total expenses is financed by an appropriation from the general fund of the county after approval of a budget in the way provided for other county offices and departments under Title 7, chapter 6, part 23.

(c) Each participating city's part of the total expenses is financed by an appropriation from the general fund of the city after approval of a budget in the way provided for other city offices and departments under Title 7, chapter 6, part 42.

(d) All money must be deposited with the county treasurer who shall disburse the money as county funds.

(2) (a) The county commissioners and governing body of each participating city may mutually agree upon the division of the expenses.

(b) ~~The~~ Subject to [section 1], the county's part of the total expenses is financed by a special levy of not more than 5 mills on the taxable valuation of all property outside the incorporated limits of each participating city after approval of a budget in the way provided for other county offices and departments under Title 7, chapter 6, part 23. If the 5-mill levy is not sufficient to fund the county's share, the county commissioners may supplement it with an appropriation from the county general fund.

(c) ~~Each~~ Subject to [section 1], each participating city's part of the total expenses is financed by a special levy of not more than 5 mills on the taxable valuation of all property within the incorporated limits of the city after approval of a budget in the way provided for other city offices and departments under Title 7, chapter 6, part 42.

(d) All money must be deposited with the county treasurer who shall disburse the money as county funds.

(e) The special levies authorized by this subsection are in addition to all other levies authorized by law."

Section 192. Section 50-2-114, MCA, is amended to read:

"**50-2-114. Special mill levy.** ~~If~~ Subject to [section 1], if the general fund of a city or county is not sufficient to meet the approved budget, a levy of not more than 1 mill may be made on the taxable valuation of all property in the city or county in addition to all other levies authorized by law. This section does not apply when the board has been financed under 50-2-111(2)."

Section 193. Section 53-2-322, MCA, is amended to read:

"**53-2-322. County to levy taxes, budget, and make expenditures for public assistance activities.** (1) ~~The~~ Subject to [section 1], the board of county commissioners in each county shall levy 13.5 mills for the county poor fund as provided by law or so much of that amount as may be necessary. The board may levy up to an additional 12 mills if approved by the voters in the county. ~~A~~ Subject to [section 1], a county shall levy sufficient mills to reimburse the state for any administrative or operational costs in excess of the administrative and operational costs for the previous fiscal year. The department of public health and human services shall notify the counties of the number of mills required to be levied. Once an additional levy has been approved, the amount of the approved levy may continue to be levied without voter approval.

(2) The board shall budget and expend so much of the funds in the county poor fund for:

(a) public assistance as necessary to reimburse the department for the county's proportionate share of the administrative costs and of all public assistance costs;

(b) salaries, travel expenses, and indirect costs, as provided in 52-1-110, of protective services employees of the department; and

(c) the county's proportionate share of any other public assistance activity that may be carried on jointly by the state and the county.

(3) The amounts set up in the budget for the reimbursements to the department must be sufficient to make all of these reimbursements in full. The budget must make separate provision for each public assistance activity and for salaries, travel expenses, and indirect costs for protective services activities of the department. Proper accounts must be established for the funds for all the activities.

(4) The department shall submit to the counties, no later than May 10, the most current county participation percentages that are necessary to establish preliminary county budgets. As soon as the county proposed budget provided for in 7-6-2315 has been agreed upon, a copy must be mailed to the department, and at any time before the final adoption of the budget, the department shall make recommendations with regard to changes in any part of the budget relating to the county poor fund as considered necessary in order to enable the county to discharge its obligations under the public assistance laws.

(5) The department shall promptly examine the county proposed budget in order to ascertain if

the amounts provided for reimbursements to the department are likely to be sufficient and shall notify the county clerk of its findings. The board shall make changes in the amounts provided for reimbursements, if any are required, in order that the county will be able to make the reimbursements in full.

(6) The board of county commissioners may not make any transfer from the amounts budgeted for reimbursing the department without having first obtained a statement in writing from the department to the effect that the amount to be transferred will not be required during the fiscal year for the purposes for which the amounts were provided in the budget.

(7) The county poor fund, irrespective of the source of any part of the fund, may not be used directly or indirectly for the erection or improvement of any county building ~~so~~ as long as the fund is needed for paying the county's proportionate share of public assistance and protective services, as described in 52-1-110, or its proportionate share of any other public assistance activity that may be carried on jointly by the state and the county. Expenditures for improvement of any county buildings used directly for care of the poor, except a county hospital or county nursing home, may be made out of money in the county poor fund, whether the money was produced by the mill levy provided for in subsection (1) or from any additional levy authorized by law. The expenditure may be authorized only when any county building used for the care of the poor must be improved in order to meet legal standards required for the building by the department and when the expenditure has been approved by the department.

(8) Money in the county poor fund may be used as matching funds for the receipt of federal money."

Section 194. Section 53-2-813, MCA, is amended to read:

"**53-2-813. Mill levy for counties transferring public assistance and protective services.** (1) For the purpose of this part and subject to [section 1], 9 mills must be levied annually in those counties opting for state assumption.

(2) For a county electing state assumption, the proceeds of the mill levy established in subsection (1) must be deposited in the state special revenue fund in the state treasury to the credit of the department of public health and human services."

Section 195. Section 53-20-208, MCA, is amended to read:

"**53-20-208. Contributions of counties and municipalities.** (1) The boards of county commissioners

of the several counties and the governing bodies of municipalities of this state may, in their discretion, contribute to any developmental disabilities facility approved by the department, without regard to whether ~~they are~~ the facility is within or outside of their respective jurisdictions. ~~The~~ Subject to [section 1], the boards of county commissioners of the counties may levy a tax up to but not to exceed 1 mill on each dollar of taxable property within the county~~, which shall be~~ The tax is in addition to all other county tax levies. All proceeds of the tax, if levied, ~~shall~~ must be used for the sole purpose of support of developmental disabilities services.

(2) For the purpose of carrying out the provisions of this section, boards of county commissioners and governing bodies of municipalities may appropriate out of the general fund of their respective counties or municipalities."

Section 196. Section 67-10-402, MCA, is amended to read:

"**67-10-402. Tax levy.** (1) ~~For~~ Subject to [section 1] and for the purpose of establishing, constructing, equipping, maintaining, and operating airports, landing fields, and ports under the provisions of this chapter and as provided in Title 7, chapter 14, part 11, the county commissioners or the city or town council may each year assess and levy, in addition to the annual levy for general administrative purposes or the all-purpose levy authorized by 7-6-4451 and 7-6-4452, a tax on the dollar of taxable value of the property of said county, city, or town:

(a) not to exceed 2 mills for airports and landing fields; and

(b) not to exceed 2 mills for ports.

(2) In the event of a jointly established airport, landing field, or port, the county commissioners and the council or councils involved shall determine in advance the levy necessary for ~~such~~ those purposes and the proportion each political subdivision joining in the venture ~~must~~ is required to pay.

(3) ~~No property~~ Property within any political subdivision may not be subject to a tax pursuant to this section at an annual rate in excess of 2 mills for airports, landing fields, or ports unless it is found that the levy is insufficient for the purposes enumerated. In ~~such a~~ that case the commissioners and councils ~~acting~~ are authorized and empowered to contract an indebtedness on behalf of ~~such~~ the county, city, or town~~, as the case may be, upon the credit thereof~~ by borrowing money or issuing bonds for ~~such~~ those purposes~~, provided that no~~ However, bonds may not be issued ~~for such purpose~~ until the proposition has been submitted to the qualified electors and approved by a majority vote ~~cast therefor~~, except as provided

in subsection (4).

(4) For the purpose of establishing a reserve fund to resurface, overlay, or improve existing runways, taxiways, and ramps, the governing bodies may set up annual reserve funds in their annual budget if:

(a) the reserve is approved by the governing bodies during the normal budgeting procedure;

(b) the necessity to resurface or improve ~~said~~ runways by overlays or similar methods every so many years is based upon competent engineering estimates; and

(c) the funds are expended at least within each 10-year period.

(5) The reserve fund may not exceed at any time a competent engineering estimate of the cost of resurfacing or overlaying the existing runways, taxiways, and ramps of any one airport for each fund. The governing body of the airport or port, if in its judgment it considers it advantageous, may invest the fund in any interest-bearing deposits in a state or national bank insured by the FDIC or obligations of the United States of America, either short-term or long-term. Interest earned from ~~such~~ the investments must be credited to the operations and maintenance budget of the airport or port governing body. ~~The above provisions, notwithstanding other budget control measures and due~~ Due to the uniqueness of the subject matter, the provisions of this section are declared necessary in the interests of the public health and safety."

Section 197. Section 67-11-201, MCA, is amended to read:

"**67-11-201. General powers of authority.** An authority ~~shall have~~ has all the powers necessary or convenient to carry out the purposes of this chapter, including, subject to [section 1], the power to certify annually to the governing bodies creating it the amount of tax to be levied by ~~said~~ the governing bodies for airport purposes and including but not limited to the power to:

(1) sue and be sued, have a seal, and have perpetual succession;

(2) execute ~~such~~ contracts and other instruments and take such other action as may be necessary or convenient to carry out the purposes of this chapter;

(3) plan, establish, acquire, develop, construct, purchase, enlarge, improve, maintain, equip, operate, regulate, and protect airports and air navigation facilities, within this state and within any adjoining state, including the acquisition, construction, installation, equipment, maintenance, and operation at ~~such~~ the airports or buildings and other facilities for the servicing of aircraft or for comfort

and accommodation of air travelers and the purchase and sale of supplies, goods, and commodities ~~as~~ that are incident to the operation of its airport properties. For ~~such~~ the authorized purposes, an authority may, by purchase, gift, devise, lease, eminent domain proceedings, or otherwise, acquire property, real or personal, or any interest ~~therein~~ in property, including easements in airport hazards or land outside the boundaries of an airport or airport site, ~~as~~ that is necessary to permit the removal, elimination, obstruction-marking, or obstruction-lighting of airport hazards or to prevent the establishment of airport hazards.

(4) establish comprehensive airport zoning regulations in accordance with the laws of this state;

(5) acquire, by purchase, gift, devise, lease, eminent domain proceedings, or otherwise, existing airports and air navigation facilities; provided, however, an authority ~~shall~~ may not acquire or take over any airport or air navigation facility owned or controlled by another authority, a municipality, or public agency of this or any other state without the consent of ~~such~~ the authority, municipality, or public agency;

(6) establish or acquire and maintain airports in, over, and upon any public waters of this state, or any submerged lands under ~~such~~ public waters, provided that the authority has obtained the approval of the owner or agency that controls the water, and construct and maintain terminal buildings, landing floats, causeways, roadways, and bridges for approaches to or connecting with any ~~such~~ airport and landing floats and breakwaters for the protection ~~thereof~~ of the airport."

Section 198. Section 67-11-301, MCA, is amended to read:

"**67-11-301. Municipal tax levy.** The airport authority may certify annually to the governing bodies the amount of tax to be levied by each municipality participating in the creation of the airport authority, and subject to [section 1], the municipality shall levy the amount certified, pursuant to provisions of law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. The levy ~~made shall~~ may not exceed the maximum levy permitted by the laws of this state for airport purposes or any ~~such~~ lower limit ~~as~~ that may have been established by the municipality or municipalities in the resolution creating the authority. The municipality shall collect the taxes certified by an airport authority in the same manner as other taxes are levied and collected and make payment to the airport authority. The proceeds of ~~such~~ the taxes when and as paid to the airport authority ~~shall~~ must be deposited in a special account or accounts in which other ~~revenues~~ revenue of the authority are deposited and may be

expended by the authority as provided for in this chapter. Prior to the issuance of bonds under 67-11-303, the airport authority or the municipality may by resolution covenant and agree that the total amount of ~~such~~ the taxes then authorized by law~~,~~ or ~~such~~ the portion ~~thereof~~ of the taxes as may be specified by the resolution~~,~~ will, subject to [section 1], be certified, levied, and deposited annually ~~as herein provided~~ until the bonds and interest ~~thereon~~ are fully paid."

Section 199. Section 67-11-302, MCA, is amended to read:

"**67-11-302. County tax levy.** ~~In~~ Subject to [section 1], in counties supporting airports or airport authorities, a levy as provided for in 67-10-402 may be made for ~~such~~ airport authority purposes."

Section 200. Section 75-10-112, MCA, is amended to read:

"**75-10-112. Powers and duties of local government.** A local government may:

(1) plan, develop, and implement a solid waste management system consistent with the state's solid waste plan and propose modifications to the state's solid waste plan;

(2) upon adoption of the state plan by the board, pass an ordinance or resolution to exempt the local jurisdiction from complying with the state plan and subsequent rules implementing the state plan. The ordinance or resolution must include a means to provide solid waste disposal to the citizens of the jurisdiction as required in part 2 of this chapter.

(3) employ appropriate personnel to carry out the provisions of this part;

(4) purchase, rent, or execute leasing agreements for equipment and material necessary for the implementation of a solid waste management system;

(5) cooperate with and enter into agreements with any persons in order to implement an effective solid waste management system;

(6) receive gifts, grants, or donations or acquire by gift, deed, or purchase land necessary for the implementation of any provision of this part;

(7) enforce the rules of the department or a local board of health pertaining to solid waste management through the appropriate county attorney;

(8) apply for and utilize state, federal, or other available money for developing or operating a solid waste management system;

(9) borrow from any lending agency funds available for assistance in planning a solid waste

management system;

(10) subject to [section 1], finance a solid waste management system through the assessment of a tax as authorized by state law;

(11) sell on an installment sales contract or lease to a person all or a portion of a solid waste management system that the local government plans, designs, or constructs, for the consideration and upon the terms established by the local governments and consistent with the loan requirements set forth in this part and rules adopted to implement this part;

(12) procure insurance against any loss in connection with property, assets, or activities;

(13) mortgage or otherwise encumber all or a portion of a solid waste management system when the local government finds that the action is necessary to implement the purposes of this part, as long as the action is consistent with the loan requirements set forth in this part and rules adopted to implement this part;

(14) hold or dispose of real property and, subject to agreements with lessors and lessees, develop or alter the property by making improvements or betterments for the purpose of enhancing the value and usefulness of the property;

(15) finance, design, construct, own, and operate a solid waste management system or contract for any or all of the powers authorized under this part;

(16) control the disposition of solid waste generated within the jurisdiction of a local government;

(17) enter into long-term contracts with local governments and private entities for:

(a) financing, designing, constructing, and operating a solid waste management system;

(b) marketing all raw or processed material recovered from solid waste;

(c) marketing energy products or byproducts resulting from processing or utilization of solid waste;

(18) finance an areawide solid waste management system through the use of any of the sources of revenue available to the implementation entity for public works projects, by the use of revenue bonds issued by the city or county, or by fees levied by a solid waste management district, whichever is appropriate;

(19) enter into interlocal agreements in order to achieve and implement the powers enumerated in this part;

(20) regulate the siting and operation of container sites."

Section 201. Section 76-1-111, MCA, is amended to read:

"**76-1-111. Representation of county or additional cities or towns on existing boards.** (1) Any city, county, or town or any combination ~~thereof~~ of cities, counties, or towns wishing to be represented upon an existing planning board may, by agreement of the governing body or bodies then represented ~~upon~~ on the board, obtain representation ~~thereon~~ on the board and share in the membership duties and costs of the board upon a basis agreeable to the governing body or bodies creating the board.

(2) The membership as well as the jurisdictional area of any board may be increased to provide for representation and planning of any additional cities, counties, or towns seeking representation.

(3) Any city, county, or town ~~which~~ that becomes represented upon an existing planning board pursuant to this section may appropriate funds for expenses necessary to cover the costs of ~~such~~ representation. ~~The~~ Subject to [section 1], the governing bodies of any represented city or county ~~so being represented~~ may levy on all property ~~which~~ that is added to the jurisdictional area of an existing board by ~~such~~ representation a tax for planning board purposes under procedures set forth in Title 7, chapter 6, part 23 or part 42, whichever is applicable~~;~~. ~~provided such~~ The tax ~~shall~~ may not exceed the maximum levy authorized in 76-1-402 through 76-1-407."

Section 202. Section 76-1-403, MCA, is amended to read:

"**76-1-403. Tax levy by county for certain county planning districts authorized.** When a county planning board has been established, the board of county commissioners may create a planning district ~~which shall~~ that must include ~~that~~ the property ~~which~~ that lies outside the limits of the jurisdictional area as established pursuant to 76-1-504 through 76-1-507 or as modified pursuant to 76-1-501 through 76-1-503 in counties where a city-county planning board has been established as well as that property ~~which~~ that lies outside the limits of any incorporated cities and towns. ~~The~~ Subject to [section 1], the board of county commissioners may levy on all property located within ~~such~~ the planning district a tax not to exceed the maximum levy authorized by 76-1-405 for planning board purposes, under procedures set forth in Title 7, chapter 6, part 23."

Section 203. Section 76-1-404, MCA, is amended to read:

"**76-1-404. Tax levy by county for city-county planning board authorized.** When a city-county

planning board has been established, the board of county commissioners may create a planning district ~~which shall~~ that must include ~~that~~ the property within the jurisdictional areas as established pursuant to 76-1-504 through 76-1-507 ~~which~~ that lies outside the limits of any incorporated cities and towns. ~~The~~ Subject to [section 1], the board of county commissioners may levy on all property located within ~~such~~ the planning district a tax for planning board purposes, under procedures set forth in Title 7, chapter 6, part 23~~,~~. ~~provided such~~ The tax ~~shall~~ may not exceed the maximum levy authorized in 76-1-405."

Section 204. Section 76-1-405, MCA, is amended to read:

"**76-1-405. Maximum county mill levy -- authorization for levy.** ~~The~~ Subject to [section 1], the tax levy for planning board purposes ~~shall be~~ is further limited as follows:

(1) A county of the first class, as defined in 7-1-2111, may levy a tax not to exceed 2 mills.

(2) A county of the second class may levy a tax not to exceed 3 mills.

(3) A county of the third class may levy a tax not to exceed 4 mills.

(4) A county of the fourth class may levy a tax not to exceed 5 mills.

(5) Counties of the fifth, sixth, and seventh classes may levy a tax not to exceed 6 mills."

Section 205. Section 76-1-406, MCA, is amended to read:

"**76-1-406. Tax levy by municipalities authorized.** ~~The~~ Subject to [section 1], the governing body of any city or town represented ~~upon~~ on a planning board may levy a tax upon the property located within ~~such~~ the city or town for planning board purposes, under procedures set forth in Title 7, chapter 6, part 42~~,~~. ~~provided such~~ The tax ~~shall~~ may not exceed the maximum levy authorized in 76-1-407."

Section 206. Section 76-1-407, MCA, is amended to read:

"**76-1-407. Maximum city mill levy.** ~~The~~ Subject to [section 1], the tax levy for planning board purposes ~~shall be~~ is further limited as follows:

(1) A city of the first class, as defined in 7-1-4111, may levy a tax not to exceed 2 mills.

(2) A city of the second class may levy a tax not to exceed 4 mills.

(3) A city of the third class may levy a tax not to exceed 6 mills.

(4) A town may levy a tax not to exceed 6 mills."

Section 207. Section 76-2-102, MCA, is amended to read:

"**76-2-102. Organization and operation of commission.** (1) The planning and zoning commission ~~is to consist~~ consists of the three county commissioners, the county surveyor, and a county official appointed by the county commissioners. Members of the commission shall serve without compensation other than reimbursement for ~~duly~~ authorized expenses and must be residents of the county in which they serve.

(2) The commission may appoint necessary employees and fix their compensation with the approval of the board of county commissioners, select a presiding officer to serve for 1 year, appoint a secretary to keep permanent and complete records of its proceedings, and adopt rules governing the transaction of its business.

(3) ~~The~~ Subject to [section 1], the finances necessary for the transaction of the planning and zoning commission's business and to pay the expenses of the employees and justified expenses of the members of the board must be paid from a levy of not to exceed 1 mill on the taxable valuation of the real property within the district."

Section 208. Section 76-5-1116, MCA, is amended to read:

"**76-5-1116. Determination of fees and charges.** (1) In fixing ~~such~~ the rate, fee, toll, or rent for water furnished for household use, domestic use, irrigation use, industrial use, and municipal use and for water used for streamflow stabilization, the governing body shall charge a fee sufficient to pay the proportionate share of the repairs, maintenance, and operating expenses as ~~such~~ the use bears in economic value to the total economic value of the total use of ~~said~~ the facilities of the project or projects. The economic value is to be determined by the governing body.

(2) For the benefits received by areas within the boundaries of the project or projects for flood prevention, flood control, and pollution abatement, the governing body shall determine a reasonable valuation or charge~~,~~. ~~which~~ The valuation or charge ~~shall~~ must be certified by ~~them~~ the governing body to the county commissioners prior to the time general taxes are levied and assessed. ~~It shall be the obligation of~~ Subject to [section 1], the the county commissioners ~~to~~ shall levy a special assessment as provided for in 76-5-1113 and 76-5-1114 against ~~such~~ the area or areas sufficient to provide ~~revenues~~ revenue for the repairs, maintenance, and operating expenses of the project.

(3) For recreation use the governing body shall first determine the share of the costs of operation,

repairs, and depreciation to be charged against ~~such~~ recreation uses and from this figure shall subtract the estimated amount of fees and tolls collected for ~~such~~ recreation uses. The deficiency, if any, ~~shall~~ must be certified to the county commissioners, ~~in the same way as the charges for flood prevention, flood control, etc.~~ and subject to [section 1], special assessments ~~shall~~ must be levied by the county commissioners in the manner ~~set out herein~~ provided in this section."

Section 209. Section 76-6-109, MCA, is amended to read:

"**76-6-109. Powers of public bodies.** (1) A public body ~~shall have~~ has all the powers necessary or convenient to carry out the purposes and provisions of this chapter, including the following powers in addition to others granted by this chapter:

(a) to borrow funds and make expenditures necessary to carry out the purposes of this chapter;

(b) to advance or accept advances of public funds;

(c) to apply for and accept and utilize grants and any other assistance from the federal government and any other public or private sources, to give ~~such~~ security as may be required, to enter into and carry out contracts or agreements in connection with the assistance, and to include in any contract for assistance from the federal government ~~such~~ conditions imposed pursuant to federal laws as the public body may ~~deem~~ consider reasonable and appropriate and ~~which~~ that are not inconsistent with the purposes of this chapter;

(d) to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter;

(e) in connection with the real property acquired or designated for the purposes of this chapter, to provide or to arrange or contract for the provision, construction, maintenance, operation, or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities or structures that may be necessary to the provision, preservation, maintenance, and management of the property as open-space land;

(f) to insure or provide for the insurance of any real or personal property or operations of the public body against any risks or hazards, including the power to pay premiums on the insurance;

(g) to demolish or dispose of any structures or facilities ~~which~~ that may be detrimental to or inconsistent with the use of real property as open-space land; and

(h) to exercise any or all of its functions and powers under this chapter jointly or cooperatively

with public bodies of one or more states, if they are ~~so~~ authorized by state law, and with one or more public bodies of this state and to enter into agreements for joint or cooperative action.

(2) For the purposes of this chapter, the state or a city, town, other municipality, or county may:

(a) appropriate funds;

(b) subject to [section 1], levy taxes and assessments according to existing codes and statutes not to exceed 1 mill;

(c) issue and sell its general obligation bonds in the manner and within the limitations prescribed by the applicable laws of the state; and

(d) exercise its powers under this chapter through a board or commission or through ~~such~~ the office or officers ~~as~~ that its governing body by resolution determines or as the governor determines in the case of the state."

Section 210. Section 76-15-501, MCA, is amended to read:

"**76-15-501. Financial management.** A conservation district and the supervisors ~~thereof shall~~ of the district have the power to:

(1) borrow money and incur indebtedness and issue bonds or other evidence of ~~such~~ indebtedness;

(2) also refund or retire an indebtedness or lien that may exist against the district or property ~~thereof~~ of the district;

(3) fix and revise as necessary and collect rates, fees, tolls, rents, or other charges for the use of or for services, facilities, and materials furnished or provided, and ~~revenues~~ revenue from these sources may be expended in carrying out the purposes and provisions of this chapter;

(4) subject to [section 1], cause taxes to be levied in the same manner provided for in this part for the purpose of paying any obligation of the district and to accomplish the purposes of this chapter in the manner ~~herein~~ provided in this chapter;

(5) apply for and receive federal revenue sharing funds in order to carry out the purposes and provisions of this chapter;

(6) establish a conservation practice loan program as provided in this part."

Section 211. Section 76-15-505, MCA, is amended to read:

"**76-15-505. Authorization to borrow money -- limitations.** (1) If, after the levy of the annual assessments for the current year, the board of supervisors finds that, because of some unusual or unforeseen cause, funds raised through the collection of the assessments and from other sources will not be sufficient for the proper maintenance and operation of the district and the works in the district, the board of supervisors may:

(a) borrow additional funds needed to an amount not to exceed 50 cents per acre for the lands within the district and may pledge the credit of the district for the payment of the funds; or

(b) request the county commissioners to issue and register warrants in anticipation of further collections.

(2) ~~The~~ Subject to [section 1], the board of supervisors shall include in the levy for the ensuing year the amount required to pay the loan or to retire the warrants. The warrants may not exceed 90% of the assessment for the year."

Section 212. Section 76-15-516, MCA, is amended to read:

"**76-15-516. Levy of regular and special assessments.** (1) ~~The~~ Subject to [section 1], the board of county commissioners of each county in which any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. The levy must be known as the ".... (name of district) conservation district regular assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors.

(2) Subject to the conditions of [section 1], 76-15-531, and 76-15-532, the board of county commissioners of each county in which any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. The levy must be known as the ".... (name of district) conservation district special administrative assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors.

(3) ~~The~~ Subject to [section 1], the board of county commissioners of each county in which any portion of a project area lies may, annually at the time of levying county taxes, levy an assessment not to exceed 3 mills on the taxable real property within the project area. The levy must be known as ".... (name of the project area) special assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors."

Section 213. Section 76-15-518, MCA, is amended to read:

"76-15-518. Certification of assessment to department of revenue -- entry on property tax record. ~~The~~ Subject to [section 1], the board of county commissioners of each county in which any portion of the district is situated may levy the assessment provided in ~~this part or~~ part 6 or this part. The assessment must be certified to the department of revenue and entered on the property tax record of each county."

Section 214. Section 76-15-623, MCA, is amended to read:

"76-15-623. Administration of special assessment. (1) ~~When~~ Subject to [section 1], when the board or boards of supervisors have determined that a special assessment is necessary, the board of county commissioners of ~~such~~ the county in which there lies any portion of a project area shall annually at the time of levying county taxes levy a special assessment of the taxable real property in the project area, not to exceed 3 mills. ~~It shall~~ The levy must be known as the "....(name of district) soil and water conservation district special assessment" and ~~shall~~ must be sufficient to raise the income reported to it in the estimate of the supervisors.

(2) Each lot or parcel of land to be assessed ~~shall~~ must be assessed with that part of the amount of money required ~~which~~ that its taxable valuation bears to the total taxable valuation of all the lands to be assessed."

Section 215. Section 80-2-203, MCA, is amended to read:

"80-2-203. Participation in program -- ~~tax~~ fee. (1) A taxpayer or an association of taxpayers engaged in the growing of crops other than those specified in this part or other agricultural or horticultural products subject to injury or destruction by hail may, by individual or joint election filed with and approved by the board of hail insurance, accept the provisions of this part and elect to become subject to this part. The risks may be classified by the board, and suitable levies may be imposed as agreed upon by the board and the taxpayers. The taxpayers are entitled to the benefits and protection afforded by the insurance provisions of this part.

(2) Each farmer taxpayer who signifies a desire to become subject to the provisions of this part shall file with the department of revenue the properly filled out form not later than August 15. The taxpayer is chargeable with the ~~tax~~ fee provided for on lands growing crops subject to injury or destruction by hail and shall share in the protection and benefits under the hail insurance provisions of this

part. The application for hail insurance is in full force and effect at 12:01 a.m. the day immediately following the acceptance of the application by the department of revenue.

(3) This part may not be construed to empower anyone except the actual owner of the land to make the land subject to the hail ~~tax~~ fee provided in this part."

Section 216. Section 80-2-204, MCA, is amended to read:

"**80-2-204. Duty of department of revenue -- election of benefits of law.** The department of revenue shall upon request explain to each taxpayer engaged in the growing of crops subject to injury or destruction by hail the provisions of this part. The department of revenue shall issue hail insurance policies to each taxpayer who desires to become subject to this part, to become liable for the ~~tax levies~~ fees provided in this part, and to be eligible for the benefits and protection of this part. A taxpayer who elects to become subject to this part is liable for the ~~taxes~~ fees levied for hail insurance and shall participate in the benefits and protection afforded by this part. Either the owners of lands worked by others under lease or contract may make the election for hail insurance or the lessee of the land may tender payment of the ~~tax levied~~ fee for hail insurance to protect the lessee's crops, in cash, to the officer authorized to receive payment."

Section 217. Section 80-2-205, MCA, is amended to read:

"**80-2-205. What crops subject to provisions of law.** The crops grown on the lands of all taxpayers who shall elect to become subject to this part ~~shall~~ must be insured under the provisions of this part for the acreage and the kind of crop for which ~~taxes~~ fees for hail insurance ~~will~~ have been levied~~,~~. ~~which~~ The insurance ~~shall be~~ is provided for, determined, and adjusted and paid for as provided by this part."

Section 218. Section 80-2-207, MCA, is amended to read:

"**80-2-207. Delinquent taxes -- application by delinquent -- crop lien.** (1) An owner of land who has more than 1 year's delinquent taxes on the land may not be allowed hail insurance under the provisions of this part, unless the owner's application is accompanied by a cash payment for the amount that would be due on the application in the event of a maximum levy for that year.

(2) Any grain grower unable to secure state hail insurance under the provisions of this part

because of delinquent taxes or for other reasons may make application to the department of revenue, and the department of revenue may receive and accept the applications when the applicant furnishes a sufficient crop lien that is subject only to a seed lien. The crop lien may be accepted only under rules and requirements that may be prescribed by the board of hail insurance and under the provision that the board may cancel any hail insurance accepted in violation of the rules and requirements. Upon receipt of the application, the department of revenue shall make a record of the application and shall file the original in the office of the clerk and recorder of the county. The department of revenue shall also cause an assessment for the proper amount of the fee to be made on the property tax record in the same manner provided for in the case of other special levies or assessments.

(3) A tenant who has delinquent hail insurance that was secured by a crop lien only and not secured by real estate may not be allowed another policy in any succeeding year until the delinquent account or accounts are paid or until the tenant pays cash for the current hail insurance.

(4) If a tenant becomes delinquent for hail insurance after having failed to apply for relief as provided by the board under 80-2-229, the tenant may apply to the board for a reduction. If the reasons for requesting a reduction are approved by the board, the board may reduce the charge to not less than one-half the original amount charged."

Section 219. Section 80-2-221, MCA, is amended to read:

"**80-2-221. ~~Tax~~ Fee for hail insurance.** (1) A ~~tax is hereby authorized and directed to~~ fee may be levied on all lands in this state growing crops subject to injury or destruction by hail, the owners of which have elected to become subject to the provisions of this part.

(2) The board of hail insurance shall annually estimate, as accurately as possible, the amount required to pay all losses, interest on warrants, and costs of administration and shall recommend ~~a levy~~ fees to be ~~made~~ assessed on each kind of land respectively, subject to the provisions of this part, to the department of revenue. The rates recommended to apply on the lands of owners ~~shall~~ must be applied in the same proportions to the crops of those insured on a personal assessment basis."

Section 220. Section 80-2-222, MCA, is amended to read:

"**80-2-222. Board to establish amount of ~~levy~~ fee -- disposition of funds.** (1) The board of hail insurance may, when it considers it advisable, establish as many districts as it considers advisable and

may maintain maximum rates in various parts of the state, which rates must be commensurate with the risk incurred as nearly as it can determine from past experiences or from any records available.

(2) Notice of the various rates established for any year must be plainly printed on the application for hail insurance, and the rates for the year must be determined and levied by the board of hail insurance for each of the various districts as established, in such proportions as will in its judgment be fair and equitable.

(3) The board of hail insurance has authority to accept and expend all funds received by it, including amounts repaid as principal and interest on investments. The funds are statutorily appropriated, as provided in 17-7-502, to the board of hail insurance for the purposes of this chapter. Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

(4) In making the ~~levy~~ fee assessment provided in this section and 80-2-223, the board of hail insurance shall provide for:

(a) the payment of all expenses of administration, together with all interest owed or to be owing on registered warrants;

(b) that portion of the losses incurred during the current year that are not paid from funds drawn from the reserve;

(c) the maintenance of the reserve, a part or all of which may be used in any ~~one~~ 1 year for the purpose of paying the costs of administration, interest on the warrants, and losses as settled and adjusted by the board, including the losses sustained in any prior year or years under the hail insurance law that have not been paid.

(5) If at the end of any hail insurance season the board determines that more funds are accumulating from the current year's levies than were estimated when the ~~levy~~ fee assessment was made and are in excess of the need for the payment of losses and expenses and maintenance of the reserve, the board may, at its discretion, refund the excess to the farmers insured for the year, on a pro rata or percentage basis.

(6) The board of hail insurance may direct the board of investments to invest funds from the enterprise fund pursuant to the provisions of the unified investment program for state funds. The income from the investments must be credited to the board of hail insurance account in the enterprise fund."

Section 221. Section 80-2-223, MCA, is amended to read:

"**80-2-223. ~~Levy~~ Fee assessment by department of revenue.** The department of revenue shall prescribe ~~such levies~~ fee assessments annually to be made against lands growing crops subject to injury or destruction by hail ~~which~~ that are subject to this part in accordance with the recommendation of the board of hail insurance."

Section 222. Section 80-2-225, MCA, is amended to read:

"**80-2-225. Real estate lien -- creation.** The ~~tax levies~~ fee assessments imposed pursuant to this part are chargeable to the lands of each taxpayer who elects to become subject to this part and must be entered in the property tax record and collected by the officers charged with ~~such~~ those duties in the manner and form as are other property taxes. If the ~~levies~~ fee assessments are not paid, they are a lien on the lands against which they are levied in the same manner as are other property taxes."

Section 223. Section 80-2-226, MCA, is amended to read:

"**80-2-226. Crop lien -- when created -- assessment.** (1) In addition to the lien created in 80-2-225 on the land of the insured, the ~~levy~~ fee assessment for ~~such~~ hail insurance ~~shall constitute~~ constitutes a lien on the crops insured with the exception that the crop lien may not apply to owners of unencumbered land or to the land or crops of those who pay cash for hail insurance. The applications of these persons may not be filed with the county clerk and recorded as provided for in 80-2-207. The crop lien ~~shall~~ must be included in all applications for hail insurance, with the ~~above~~ exceptions provided in this part, and ~~shall~~ must be enforced as provided in 80-2-230 and 80-2-231 against all insured except those owning unencumbered land or those who have paid cash for hail insurance.

(2) All applicants securing hail insurance on crop liens as ~~heretofore~~ provided ~~shall be~~ in this section are subject to the same charges per acre as provided ~~herein~~ in this part to be made on land."

Section 224. Section 80-2-228, MCA, is amended to read:

"**80-2-228. Reserve fund.** (1) Each year when the hail board makes its annual ~~levy~~ fee assessment for the payment of current losses, expenses of administration, and for an addition to the reserve if conditions permit, it may not increase the ~~levy~~ fee enough in any year so that the addition to the reserve will exceed 5% of the maximum risk written for that year.

(2) The board may engage the services of a qualified actuary to conduct an actuarial valuation of the reserve. This valuation ~~shall~~ must include the actuary's determination of the amount of reserve necessary to absorb all reasonably anticipated catastrophic losses. This amount is the maximum permissible reserve fund for the next year.

(3) The reserve must be deposited in an enterprise fund.

(4) The board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, exceeds the amount of the estimate made by the board for the current year pursuant to 80-2-221."

Section 225. Section 80-2-229, MCA, is amended to read:

"**80-2-229. Withdrawal of crop in case of destruction through other means.** When any crop insured under this part ~~shall have been~~ is destroyed by any other cause than hail, the applicant may, by furnishing the proof required by the board of hail insurance, cause the crop to be withdrawn from the regular ~~levy~~ fee assessment of the board for the current year. ~~Such proof shall~~ Proof must be submitted to the board of hail insurance in accordance with its rules. ~~Said~~ The rules ~~shall~~ must be plainly printed on the applications and policies issued by the department. ~~They shall~~ The rules must provide that the cost for ~~such~~ the withdrawn insurance ~~shall~~ must be varied as nearly as practical according to the time the insurance is in force and according to the risk carried."

Section 226. Section 80-2-230, MCA, is amended to read:

"**80-2-230. Collection of ~~levies~~ fee assessments -- release of lien.** (1) The county treasurer in each county in the state shall collect all ~~levies~~ fee assessments made under this part in the same manner as other property taxes are collected and shall keep all ~~moneys~~ money collected ~~by him or for him~~ for hail insurance in a separate fund to be known as the hail insurance fund. ~~and~~ The county treasurer shall remit the ~~same~~ money to the state treasurer in the same manner as provided by law for the remittance of other ~~moneys~~ money due to the state. All county treasurers shall use due diligence in making the collections of the ~~levies~~ fees provided ~~herein~~ for in this part. ~~Also the~~ The board may furnish assistance needed at any time in making collections or may take over the collection of any ~~levy~~ fee at any time, depositing any collections ~~therefrom~~ with the treasurer of the county where the ~~levy therefor~~ fee assessment was made.

(2) All hail insurance ~~levies~~ fee assessments, whether ~~levied~~ imposed against land or in the form

of special assessments secured by crop liens, ~~shall be~~ are payable in full and not in semiannual payments on or before November 30 of each year in which ~~such levies~~ fee assessments are made.

(3) Whenever the amount due on any hail insurance secured by a crop lien is paid, the treasurer shall promptly endorse on the lien on file in the office of the county clerk and recorder the amount paid ~~thereon~~ with the date of payment and ~~such~~ the endorsement ~~shall be~~ is a satisfaction and release of ~~such~~ the lien."

Section 227. Section 80-2-232, MCA, is amended to read:

"**80-2-232. State treasurer's duty -- warrants -- transfers to county and state general fund.** (1) The state treasurer shall receive all money paid under this part and shall place the money in trust for the hail insurance program to the credit of the enterprise fund. All money collected by the board must be deposited in the enterprise fund, and all losses must be paid from that fund. All other costs are administrative expenses and must be paid from the board's enterprise fund. If registered warrants are presented and there is no money to pay the warrants, the warrants must be registered and bear interest at the rate of 4% per ~~annum~~ year until called for payment by the state treasurer.

(2) Upon warrants drawn by order of the board, the state treasurer shall pay out of the board's enterprise fund to the county treasurer of each county where state hail insurance coverage is in force 2% of the gross annual ~~levies~~ fee assessments made and collected in that county under this part for the use of the county as the board of county commissioners may determine.

(3) Upon authorization from the board of hail insurance, the state treasurer shall transfer out of the board's enterprise fund to the general fund of the state of Montana 1.5% of the gross annual ~~levies~~ fee assessments made and collected in the state of Montana."

Section 228. Section 80-2-244, MCA, is amended to read:

"**80-2-244. Payment of losses.** (1) The board of hail insurance shall, as soon as practicable after the loss has been sustained, arrange for the payment of the loss in the following manner. From the amount of the loss as adjusted for each claimant, the board shall deduct the amount the claimant then owes as delinquent hail insurance ~~tax~~ fees and the maximum amount assessed as hail insurance ~~tax~~ fees for the current year.

(2) The board shall on or before November 1 order payment for the amount ~~so~~ deducted~~,~~. ~~which~~

The payment ~~shall~~ must be remitted to the county treasurer of the county in which the ~~tax~~ fee was assessed. The board shall then order payment for the balance of the adjustment to be sent to the claimant, provided that ~~in no case may~~ the payment for loss may not exceed $24 per acre for grain crops on nonirrigated lands~~,~~ and $48 per acre on irrigated lands. ~~No~~ A claimant may not receive payment for any loss incurred ~~where~~ if the loss does not equal or exceed 5% of the total value of the crop insured. If the losses in any year exceed the current ~~levy~~ fee assessments plus the reserve, if any, then the payment of all losses ~~shall~~ must be prorated~~, share and share alike,~~ among all grain growers having loss claims adjusted and approved~~,~~. ~~and the~~ The unpaid balance of the losses ~~shall~~ must be paid out of the reserve without interest in ~~such~~ the order ~~as~~ that the board directs~~,~~ when in the judgment of the board there ~~are~~ is sufficient ~~moneys~~ money to provide for the payment of the ~~same~~ losses and other items payable out of the reserve. In any year the board may by resolution authorize its ~~chairman~~ presiding officer and secretary to borrow as needed from any person, bank, or corporation ~~such sum or sums of~~ money ~~as~~ that the board may consider necessary for the purpose of paying all warrants as issued.

(3) For any ~~moneys~~ money borrowed under the provisions of this part, the board shall cause warrants to be drawn. The warrants ~~shall~~ must bear interest at not to exceed 6% a year, and the warrants and the interest ~~thereon shall~~ on the warrants must be paid out of funds from the state hail insurance program as they are collected from the various counties in the state. The board may not at any time borrow a total sum greater than the amount of ~~levies as made for taxes~~ fee assessments for the current year together with ~~such~~ any delinquent ~~taxes as~~ fee assessments that remain unpaid on the books of the county treasurer."

Section 229. Section 80-11-206, MCA, is amended to read:

"**80-11-206. Maximum annual assessment on wheat and barley grown, delivered, or stored.** (1) ~~There~~ Subject to [section 1], there is an annual assessment of not more than 10 mills per bushel on all wheat and not more than 15 mills per hundredweight on all barley grown, delivered, or stored in the state of Montana and sold through commercial channels.

(2) The assessment is levied and imposed:

(a) in the case of a sale of wheat or barley, at the time of first sale of any wheat or barley by a seller, and must be collected by the first purchaser of the wheat or barley from the seller at the time of each settlement for wheat or barley purchased;

(b) in the case of a pledge or mortgage of wheat or barley as security for a loan under any federal price support program other than the commodity credit corporation, and must be collected by deducting the amount of the assessment from the proceeds of the loan at the time the loan is made by the agency or person making the loan; or

(c) in the case of wheat or barley pledged under the federal commodity credit corporation, and ~~the assessment~~ must be collected at the time of purchase, not at the time a lease or loan is made under the program.

(3) The assessment levied under the provisions of this part must be deducted and collected as provided by this part, whether the wheat or barley is stored in this or any other state. The assessment attaches to each transaction, but a seller is not subject to assessment more than once irrespective of the number of times the wheat or barley is the subject of a sale, pledge, mortgage, or other transaction. The assessment is imposed and attaches on the initial sale, pledge, mortgage, or other transaction in which the wheat or barley seller parts with title to the wheat or barley or creates some interest in the wheat or barley in a pledgee, mortgagee, or other person."

Section 230. Section 81-6-104, MCA, is amended to read:

"**81-6-104. Tax levy -- special fund.** The county livestock protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the county on January 1, and subject to [section 1], the board of county commissioners shall ~~thereupon be empowered to~~ levy ~~such~~ the tax~~,~~. ~~to~~ The tax must be collected in the same manner as other taxes on personal property and when collected ~~to~~ must be deposited by the county treasurer in a special fund to be known as the ~~stockmen's~~ stockowner's special deputy fund~~,~~. ~~together with any other~~ Other funds made available from county, state, federal, or private sources for the purposes of this part must be deposited in the fund."

Section 231. Section 81-6-204, MCA, is amended to read:

"81-6-204. **Tax levy -- deposit of proceeds.** The district cattle protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the district on January 1~~,~~. ~~and~~ Subject to [section 1], the board of county commissioners shall ~~thereupon be empowered to~~ levy ~~such~~ the tax, to be collected

as other taxes on personal property. ~~and when collected to~~ The tax proceeds must be deposited in the county treasury of one of the counties in the district, to be selected by the district cattle protective committee, in a special fund to be known as the ~~stockmen's~~ stockowner's special deputy fund, together with any other funds made available from county, state, federal, or private sources for the purposes of this part."

Section 232. Section 81-6-209, MCA, is amended to read:

"**81-6-209. Tax levy -- deposit of proceeds.** The district cattle protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the district on January 1~~,~~. ~~and~~ Subject to [section 1], the board of county commissioners shall ~~thereupon be empowered to~~ levy ~~such~~ the tax~~,~~. ~~to~~ The tax must be collected in the same manner as other taxes on personal property. ~~and when collected to~~ The tax proceeds must be deposited in the county treasury in a special fund to be known as the ~~stockmen's~~ stockowner's special deputy fund~~,~~. ~~together with any other~~ Other funds made available from county, state, federal, or private sources for the purposes of this part must also be deposited in the fund."

Section 233. Section 81-7-118, MCA, is amended to read:

"**81-7-118. (Temporary) Levy of tax for purpose of paying bounty claims -- limitation on levy.** ~~The~~ Subject to [section 1], the department of revenue shall annually prescribe the levy recommended by the department to be made against livestock of all classes for paying for the destruction of wild animals killed in this state. The tax in any 1 year may not exceed 7.5 mills on the taxable value of the livestock. The money received ~~must~~ may be used only for the payment of claims approved by the department for the destruction of wild animals and for the administration of 81-7-111 through 81-7-118 and 81-7-120 through 81-7-122. The money received for the taxes levied must be sent annually with other taxes to the state treasurer by the county treasurer of each county. When the money is received by the state treasurer, it must be placed in the state special revenue fund and may then be paid out on claims approved under the law governing the payment of claims.

81-7-118. (Effective on occurrence of contingency) Levy of tax for purpose of paying bounty claims -- limitation on levy. ~~The~~ Subject to [section 1], the department of revenue shall annually prescribe the levy recommended by the department to be made against livestock of all classes for paying for the

destruction of predatory animals killed in this state. The tax in any 1 year may not exceed 7.5 mills on the taxable value of the livestock. The money received ~~must~~ may be used only for the payment of claims approved by the department for the destruction of predatory animals and for the administration of 81-7-111 through 81-7-118 and 81-7-120 through 81-7-122. The money received for the taxes levied must be sent annually with other taxes to the state treasurer by the county treasurer of each county. When the money is received by the state treasurer, it must be placed in the state special revenue fund and may then be paid out on claims approved under the law governing the payment of claims."

Section 234. Section 81-7-201, MCA, is amended to read:

"**81-7-201. County levy for bounties on predatory animals.** ~~Whenever the~~ The owners, agent, or agents of the owners representing 51% of the livestock of any county in this state may present a petition to the board of county commissioners of ~~such~~ a county asking for the levy of a tax upon the livestock of the county for the purpose of paying bounties on predatory animals killed in the county~~,~~. ~~it is the duty of~~ Subject to [section 1], the board of county commissioners ~~to~~ shall make the levy~~,~~. ~~which~~ The levy may not exceed 50 mills on ~~the dollar of~~ the taxable value of all livestock in the county. The tax ~~shall~~ must be assessed and collected in the same manner as all other state and county taxes."

Section 235. Section 81-7-202, MCA, is amended to read:

"**81-7-202. Signers of petition -- time for presenting -- limitation on bounties -- bounty inspectors.** (1) The petition provided for in 81-7-201 ~~shall~~ must be signed by the owners, agent, or agents of the owners of not less than 51% of the livestock of ~~such~~ the county as ascertained from the assessment books of ~~such~~ the county. ~~and shall~~ The petition must recommend to the board of county commissioners the bounties to be paid on ~~such~~ predatory animals, which ~~shall~~ may not exceed the following:

(a) on each wolf or mountain lion, $100;

(b) on each wolf pup or mountain lion kitten, $20;

(c) on one coyote, $5;

(d) on each coyote pup, $2.50.

(2) ~~Such~~ The petition ~~shall~~ must be presented not later than August 1 of each year~~,~~. ~~and the~~ The board of county commissioners on determining the sufficiency of ~~such~~ the petition ~~shall~~ may make an order granting ~~such~~ the petition~~,~~. ~~which~~ Subject to [section 1], the order ~~shall~~ must fix the levy for that

year and the amount of the bounties to be paid for the killing of each ~~such~~ predatory animal~~,~~. ~~which shall~~ The bounties may not exceed the amounts recommended in ~~such~~ the petition~~,~~. ~~and~~ The board of county commissioners shall appoint not less than 10 or more than 20 stockowners of ~~such~~ the county to be bounty inspectors under this part, without compensation~~,~~. ~~who~~ The inspectors shall hold their offices for 1 year."

Section 236. Section 81-8-504, MCA, is amended to read:

"**81-8-504. Tax levy authorized.** For the purpose of defraying the costs of such purebred livestock shows and ~~such~~ purebred livestock sales, the county commissioners are authorized ~~and empowered~~, subject to [section 1], to levy annually a tax not to exceed one-fourth mill on the taxable property of the county, in excess of the amount levied for county purposes~~,~~. ~~which~~ The taxes ~~shall~~ must be paid into the general fund of the county."

Section 237. Section 85-3-422, MCA, is amended to read:

"**85-3-422. Tax certified by weather modification authority -- disposition of proceeds.** (1) The authority may certify annually to the board of county commissioners a tax of not to exceed 2 mills upon the taxable valuation of the property in the county for a weather modification fund. ~~The~~ Subject to [section 1], the tax must be levied by the board of county commissioners and may be levied in excess of the mill levy limit fixed by law for taxes for general county purposes. The weather modification fund may be used only for weather modification activities as provided by 85-3-424. The tax certified by the authority is limited to the period of existence of the authority.

(2) The money in the weather modification fund must be invested to earn interest at the rate most advantageous to the fund, consistent with law and prudent business practice."

Section 238. Section 85-7-206, MCA, is amended to read:

"**85-7-206. Basis and apportionment of annual tax.** ~~The~~ Subject to [section 1], the annual tax levy and the apportionment and distribution of the total amount required to be raised in any year ~~shall be had and done~~ must be determined and imposed in accordance with the provisions and limitations of law applicable to irrigation districts organized under the provisions of parts 1 and 15 of this chapter."

Section 239. Section 85-7-307, MCA, is amended to read:

"**85-7-307. Tax levy.** ~~The~~ Subject to [section 1], the annual tax levy and the apportionment and distribution of the total amount required to be raised in any year ~~shall be had and done~~ must be determined and imposed in accordance with the provisions and limitations of law applicable to other irrigation districts organized under parts 1 and 15 of this chapter."

Section 240. Section 85-7-1953, MCA, is amended to read:

"**85-7-1953. Amount owed United States -- lien and special tax.** All amounts to be paid to the United States under any contract made ~~hereunder~~ pursuant to this part between the district and the United States ~~shall be~~ are a general obligation of the district, and ~~said~~ the amounts to be paid to the United States ~~shall be~~ are a lien upon the irrigation system of the district. ~~All~~ Subject to [section 1], all lands ~~now~~ within the district or ~~hereafter embraced within~~ added to the district ~~shall~~ must be subject to a special tax or assessment for the payment of all amounts to be paid to the United States under ~~any such~~ the contract between the district and the United States~~;~~. ~~and said~~ The special tax or assessment ~~shall constitute~~ constitutes a first and prior lien on the land against which the tax or assessment is levied to the same extent and with like force and effect as taxes levied for state and county purposes."

Section 241. Section 85-7-1973, MCA, is amended to read:

"**85-7-1973. Amount owed the state -- lien and special tax.** All amounts owed to the state under any contract made under 85-7-1971 through 85-7-1975 between the district and the state of Montana establish a general obligation of the district for payment, and any amounts to be paid to the state of Montana constitute a lien upon the irrigation system of the district. ~~All~~ Subject to [section 1], all lands now within the district or ~~hereafter embraced within~~ added to the district are subject to a special tax or assessment for the payment of all amounts owed to the state under ~~such~~ the contract between the district and the state of Montana~~;~~. ~~and this~~ The special tax or assessment constitutes a first and prior lien on the land against which it is levied to the same extent and with the same force and effect as taxes levied for state and county purposes."

Section 242. Section 85-7-2104, MCA, is amended to read:

"**85-7-2104. Annual tax levy -- apportionment when tracts divided.** (1) (a) On or before the

second Monday in July each year, the board of commissioners of each irrigation district organized under parts 1 and 15 shall ascertain:

(i) the total amount required to be raised in that year for the general administrative expenses of the district, including the cost of maintenance and repairs; and

(ii) the total amount to be raised that year for interest on and principal of the outstanding bonded or other indebtedness of the district for which bonds of the district have not been deposited with the United States as provided in 85-7-1906.

(b) ~~The~~ Subject to [section 1], the board shall levy against each 40-acre tract or fractional lot, as designated by United States government survey, or platted lot if land is subdivided in lots and blocks (or where land is owned in less than 40-acre tracts or in less than the platted lot, against each tract) ~~of land~~ in the district, that portion of the respective total amounts to be raised which the total irrigable area of any tract or lot bears to the total irrigable area of the lands in the district, so that each acre of irrigable land in the district is assessed and required to pay the same amount as every other acre of irrigable land in the district, unless otherwise specifically provided by the board. The board may also charge the administrative charge authorized in 85-7-2103(1).

(c) Indebtedness under subsection (1) includes debt incurred under any contract between the district and the United States but excludes any indebtedness incurred by the district on behalf of a subdistrict.

(2) (a) On or before the second Monday in July each year, the board of commissioners of each irrigation district organized under parts 1 and 15 for which a subdistrict has been created pursuant to 85-7-404 shall determine the total amount to be raised that year for interest and principal payments on the outstanding bonded or other indebtedness of the district incurred on behalf of the subdistrict.

(b) The board shall levy against each 40-acre tract or fractional lot, as designated by United States government survey, or platted lot if land is subdivided in lots and blocks (or where land is owned in less than 40-acre tracts or in less than the platted lot, against each tract) in the subdistrict, the portion of the total amount to be raised apportioned according to the ratio of the total irrigable area of the tract or lot to the total irrigable area of the lands in the subdistrict, so that each acre of irrigable land in the subdistrict is assessed and required to pay the same amount as every other acre of irrigable land in the subdistrict, unless otherwise specifically provided by the board. The board may also charge the administrative charge authorized in 85-7-2103(1).

(3) In the event that the ownership of any 40-acre tract or other subdivision of land in the district or subdistrict is divided after a special tax or assessment against the land has been levied, each of the owners of a tract or subdivision is entitled to have the special tax or assessment equitably apportioned to and against the divisions of the tract or subdivision, so that each owner is enabled to pay a special tax or assessment against the owner's portion of the tract or subdivision and have the land discharged from the lien. The charge against any separately owned tract of land may not be less than $5."

Section 243. Section 85-7-2117, MCA, is amended to read:

"**85-7-2117. Conclusiveness of tax or assessment.** In determining the proper and just tax or assessment to be levied against any land for district purposes, the finding of the board of commissioners of the district, in the absence of fraud or mistake and subject to [section 1], ~~shall be~~ are conclusive and final, except as ~~herein~~ otherwise provided in this part."

Section 244. Section 85-7-2134, MCA, is amended to read:

"**85-7-2134. Levy of taxes and assessments by county commissioners.** If for any reason a levy of taxes or assessments ~~shall~~ is not ~~be~~ made for any irrigation district in any year by the board of commissioners of ~~such~~ the district within the time provided by 85-7-2104, the board of county commissioners of the county in which ~~such~~ the district is situated shall, not later than the second Monday in August, ascertain the total amount to be raised for all purposes of ~~said~~ the district~~,~~. Subject to [section 1], the board of county commissioners shall make the levy ~~which~~ that should have been made by the board of commissioners of ~~such~~ the district~~,~~ and shall furnish the county clerk ~~of such county~~ with a list of the lands and the amount of taxes or assessments as provided in 85-7-2136~~,~~. ~~and such~~ The levy ~~so made shall have~~ has the same force and effect as though made by the board of commissioners of ~~such~~ the district. This section ~~shall apply~~ applies only to irrigation districts having a bonded indebtedness and actually in possession of a dependable water supply system and furnishing substantial amounts of water to bona fide users."

Section 245. Section 85-7-2136, MCA, is amended to read:

"**85-7-2136. Collection of taxes or assessment.** (1) ~~On~~ Subject to [section 1] and on or before the third Monday in August of each year, the board of commissioners shall furnish to the department of

revenue a correct list of all the district lands in the county, together with the amount of the total taxes or assessments against the lands for district purposes. The department of revenue shall immediately upon receipt of the list enter the assessment roll in the property tax record of the county for each year.

(2) The county treasurer of each county in which any irrigation district is located, in whole or in part, shall collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The treasurer shall receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not.

(3) During the water delivery season, as determined by the irrigation district commissioners, the county treasurer shall make available to the board of commissioners of an irrigation district notice of the receipt of payments of district assessments by 9 a.m. on the day following receipt of those payments.

(4) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of commissioners of the district, and preparing district assessment notices.

(5) When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on the installment. However, the payment may not be considered a redemption of the property from the tax sale but must be credited on account of any redemption that may be made. In case of any payment pursuant to this subsection, a separate tax receipt must ~~issue,~~ be issued showing exactly what assessments have been paid~~,~~ and ~~must show~~ showing that no other tax on the real estate has been received by the treasurer. The county treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation district has been levied unless the assessment levied for irrigation district purposes is either paid as permitted in this section and the receipt for the payment is presented to the county treasurer at the time the taxes are paid~~,~~ or paid at the ~~same~~ time the irrigation district taxes are paid."

Section 246. Section 85-8-601, MCA, is amended to read:

"**85-8-601. Certification and collection of district taxes.** (1) ~~On~~ Subject to [section 1] and on or before the third Monday in August of each year, the commissioners shall certify to the department of revenue a correct list of all the district lands in each county and the owners of the lands, together with a statement of the amount of the total tax or assessment against the lands for district purposes for that year. The department of revenue shall immediately enter the assessment roll in the property tax record of the county for each year.

(2) The county treasurer of each county in which a drainage district is located, in whole or in part, shall collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. However, the treasurer must receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not. When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on the installment. However, the payment may not be considered a redemption of the property from the tax sale, but must be credited on account of any redemption that may later be made. In case of any payment pursuant to this subsection, a separate tax receipt must be issued showing exactly what assessments have been paid and showing that no other tax on the real estate has been received by the treasurer. However, the county treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any drainage district upon which an assessment for the purposes of the drainage district has been levied unless the assessment levied for the drainage district purposes is either paid as provided in this section and the receipt is presented to the county treasurer at the time the real estate taxes are paid or paid at the time the drainage district taxes are paid."

Section 247. Section 85-8-615, MCA, is amended to read:

"85-8-615. **Procedure to levy additional assessments.** ~~If~~ Subject to [section 1], if in the first assessment for construction the commissioners ~~shall have~~ reported to the court a smaller sum than is needed to complete the work of construction or if in any year an additional sum is necessary to pay the lawful indebtedness of ~~said~~ the drainage district, further or additional assessments on the land (including

improvements where benefited) and corporations benefited, proportioned on the last assessment of benefits ~~which~~ that has been approved by the court, ~~shall~~ must be made by the commissioners of ~~said~~ the drainage district under the order of the court. ~~or presiding judge thereof; provided, however~~ However, ~~that~~ the total assessments for original construction and any additional assessments, other than for maintenance, incidental expense, and interest on bonds, ~~shall, in no event,~~ may not exceed the total assessments of benefits as provided in 85-8-342. Notice of the hearing of the application for ~~such~~ the additional assessment ~~shall~~ must be published at least once each week for 3 consecutive weeks in one newspaper published in each county in which ~~said~~ the lands, or any part ~~thereof~~ of the lands, within ~~said~~ the district are situated. ~~which~~ The further or additional assessment may be made payable in installments as specified in 85-8-611 and ~~shall~~ must be treated and collected in the same manner as the original assessments for construction confirmed by the court in ~~said~~ the drainage district."

Section 248. Section 85-8-618, MCA, is amended to read:

"**85-8-618. Assessment of unassessed, benefited lands.** Whenever any lands from which surface or seepage water enters any drain or upon which or through which surface or seepage water has been prevented from flowing because of the construction of any drain have not been included within the drainage district ~~which~~ that constructed ~~such~~ the drains or drain or the owner of any irrigation ditch or canal from which water seeps, drains, or wastes to, upon, or through lands included within a drainage district has not been assessed for the cost of construction of the drainage system of ~~said~~ the drainage district, the commissioners of ~~such~~ the district may report ~~said~~ the facts to the court and ask that ~~said~~ the lands, ~~describing them,~~ be brought into ~~said~~ the district and assessed for their proportionate share of the cost of the drainage system. ~~of said drainage district and~~ Subject to [section 1], the report may ask that the owner of any ~~such~~ irrigation ditch or canal be assessed its proportionate share of the costs of construction of ~~such~~ the drainage system. ~~Thereupon, the~~ The same proceedings as set out in 85-8-421 through 85-8-424 for the determination and levy of assessments against drained lands outside of the drainage district receiving benefits from the drainage of ~~said~~ the district ~~shall be had~~ must be commenced to determine the proper assessments, if any, to be levied against ~~said~~ the lands and the owner of ~~such~~ the irrigation ditch or canal to aid in payment of costs of construction."

Section 249. Section 90-5-112, MCA, is amended to read:

"**90-5-112. Economic development levy.** (1) ~~The~~ Subject to [section 1], the governing body of a city, county, or town is authorized to levy up to 1 mill upon the taxable value of all the property in the city, county, or town subject to taxation for the purpose of economic development. The governing body may:

(a) submit the question of the mill levy to the qualified voters voting in a city, county, or town election; or

(b) approve the mill levy by a vote of the governing body.

(2) Funds derived from this levy may be used for purchasing land for industrial parks, constructing buildings to house manufacturing and processing operations, conducting preliminary feasibility studies, promoting economic development opportunities in a particular area, and other activities generally associated with economic development. These funds may not be used to directly assist an industry's operations by loan or grant or to pay the salary or salary supplements of government employees.

(3) The governing body of the county, city, or town may use the funds derived from this levy to contract with local development companies and other associations or organizations capable of implementing the economic development function.

~~(4) A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied for a period not to exceed 6 years and is not subject to the provisions of Title 15, chapter 10, part 4.~~"

Section 250. Section 90-6-309, MCA, is amended to read:

"**90-6-309. Tax prepayment -- large-scale mineral development.** (1) After permission to commence operation is granted by the appropriate governmental agency, and upon request of the governing body of a county in which a facility is to be located, a person intending to construct or locate a large-scale mineral development in this state shall prepay property taxes as specified in the impact plan. This prepayment shall exclude the 6-mill university levy established under 20-25-423 and may exclude the mandatory county levies for the school BASE funding program established in 20-9-331 and 20-9-333.

(2) The person who is to prepay under this section is not obligated to prepay the entire amount established in subsection (1) at one time. Upon request of the governing body of an affected local government unit, the person shall prepay the amount shown to be needed from time to time as determined by the board.

(3) The person who is to prepay shall guarantee to the hard-rock mining impact board, through

an appropriate financial institution, as may be required by the board, that property tax prepayments will be paid as needed for expenditures created by the impacts of the large-scale mineral development.

(4) ~~When~~ Subject to [section 1], when the mineral development facilities are completed and assessed by the department of revenue, they are subject ~~during the first 3 years and thereafter~~ to taxation as all other property similarly situated, except that in each year after the start of production, the local government unit that received a property tax prepayment shall provide for repayment of prepaid property taxes in accordance with subsection (5).

(5) A local government unit that received all or a portion of the property tax prepayment under this section shall provide for tax crediting as specified in the impact plan. The tax credit allowed in any year may not, however, exceed the tax obligation of the developer for that year, and the time period for tax crediting is limited to the productive life of the mining operation."

Section 251. Section 90-6-310, MCA, is amended to read:

"**90-6-310. Local government facility impact bonds.** (1) When the need for the construction, renovation, improvement, or acquisition of local government facilities as a result of the large-scale mineral development is determined under 90-6-307, the owners of a large-scale mineral development may enter into a written agreement with the local government unit having the burden for the increased capital and operating costs expected to be incurred by the facilities. The local government unit may execute a written agreement with the owner of a large-scale mineral development for the issuance of any special industrial local government facility impact bonds provided for in this section.

(2) The agreement with the owners of a large-scale mineral development ~~shall~~ must provide for a payment guarantee, in addition to the taxes imposed by the local government unit on property owners generally, of the principal and interest on the bonds provided for in this section. ~~Payment~~ Subject to [section 1], payment will then be made by an annual special tax levy on the property of the large-scale mineral development sufficient to retire the principal of and interest on these special impact bonds. The bonds ~~shall~~ may not be an obligation of the local government unit, but ~~shall~~ must be special obligations limited to the revenue derived from the special tax levy. A local government unit shall establish a levy and, to the extent bonds are issued as provided in this section, shall pledge the special fund and all ~~revenues~~ revenue of the special tax levy to the repayment of the bonds.

(3) The debt limits set forth in 7-7-2203, 7-7-4201, and 20-9-406 do not apply to bonds issued

in accordance with this section. The interest on ~~such~~ the bonds ~~shall~~ may not be subject to state taxes.

(4) The impact bonds ~~shall~~ must be authorized by the governing body of the local government unit by a resolution that states:

(a) the facility for which the bonds are issued;

(b) the amount of the bonds;

(c) the rate of interest the bonds bear;

(d) the date of the bonds and the maturity date or dates of the bonds;

(e) the dates interest is payable on the bonds;

(f) the redemption options, if any, with respect to the bonds; and

(g) the manner of execution of the bonds.

(5) The impact bonds ~~shall~~ must be:

(a) in registered form as to principal and interest;

(b) payable in installments and at times not exceeding 30 years from their date of issuance; and

(c) payable at a place or places and be evidenced in a manner the governing body determines is in the best interest of the local government unit.

(6) Any impact bonds issued under the authority of this section may be sold at public or private sale in a manner, at a time or times, and at a price above or below par as may be determined by the governing body of the local government unit. All expenses, premiums, and commissions that the local government unit considers necessary or advantageous in connection with the authorization, sale, and issuance of the bonds may be paid by the governing body of the local government unit from the proceeds of the sale of the bonds.

(7) If more than one local government unit adopts a resolution to issue impact bonds, the local government units may enter into an interlocal agreement under 7-11-101 through 7-11-105, 7-11-107, and 7-11-108, providing for the issue of impact bonds of the local government units to be combined in a single offering, if the governing body of each local government unit authorizing the bonds determines that the pooling of bonds:

(a) is in the best interest of the local government units;

(b) will facilitate the sale of the bonds under more advantageous terms;

(c) will lower the interest rates; or

(d) will lower the cost of issuance.

(8) In addition to the specific requirements of 7-11-105, the interlocal agreement ~~shall~~ must provide:

(a) that the bond titles ~~shall~~ must denote that impact bonds of different local government units have been pooled and ~~shall~~ must refer to each local government unit executing the interlocal agreement;

(b) for a single debt service fund, to be held by a qualified trust company, to which each local government unit shall pledge and pay the annual special tax levies levied against the large-scale mineral development; and

(c) that the bonds are payable solely from and against the debt service funds under the interlocal agreement."

Section 252. Section 90-6-403, MCA, is amended to read:

"**90-6-403. Jurisdictional revenue disparity -- conditioned exemption and reallocation of certain taxable valuation.** (1) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the board shall promptly notify the developer, all affected local government units, and the department of revenue of the disparity. Except as provided in ~~this section and~~ 90-6-404 and this section, the increase in taxable valuation of the mineral development that occurs after the issuance and validation of a permit under 82-4-335 is not subject to the usual application of county and school district property tax mill levies. This increase in taxable valuation must be allocated to local government units as provided in 90-6-404. The increase in taxable valuation allocated as provided in 90-6-404 is subject to [section 1] and the application of property tax mill levies in the local government unit to which it is allocated.

(2) ~~The~~ Subject to [section 1], the total taxable valuation of a large-scale mineral development remains subject to the statewide mill levies and basic county levies for elementary and high school BASE funding programs as provided in 20-9-331 and 20-9-333.

(3) The provisions of subsection (1) remain in effect until the large-scale mineral development ceases operations or until the existence of the jurisdictional revenue disparity ceases, as determined by the board."

NEW SECTION. **Section 253. Repealer.** Sections 7-6-2514 and 15-10-412, MCA, are repealed.

NEW SECTION. **Section 254. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 10, part 4, and the provisions of Title 15, chapter 10, part 4, apply to [section 1].

NEW SECTION. **Section 255. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 256. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to property tax levies established for tax years beginning after December 31, 1998.

- END -

FISCAL NOTE

Bill #: SB0184 **Title:** Revise property tax levy authority

Primary Sponsor: Lorents Grosfield **Status:** As introduced

Lorents Grosfield 1-19-99
Sponsor signature Date

Dave Lewis 1-18-99
Dave Lewis, Budget Director Date

Fiscal Summary

	FY2000 Difference	FY2001 Difference
Revenue:		
State Special Revenue	Cannot be determined- see assumption #6	
Net Impact on General Fund Balance:	0	0

Yes	No		Yes	No	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Section 80-11-206, MCA, sets the maximum annual assessment on wheat and barley of not more than 10 mills per bushel on all wheat and not more than 15 mills per hundredweight on all barley grown, delivered, or stored in the state of Montana and sold through commercial channels.
2. January 1, 1998 to June 30, 1998 a lower assessment of 8 mills per bushel of wheat and 10 mills per hundred weight of barley was assessed. Since July 1, 1998, the maximum annual assessments allowed by state law are being assessed.
3. The calendar year 1998 assessments collected were $1,264,755 on 143,964,819 bushels of wheat sold and $210.906 on 17,663,748 hundredweight of barley.
4. The mill levy calculation required in section 1 of SB 184 would reduce the mill levy in calendar year 1999 for wheat to 8.79 per bushels of wheat and 11.94 per hundredweight of barley sold.
5. Assuming the amount of wheat and barley grown and sold through commercial channels in calendar year 1999 remains the same as 1998, the reduction in the mill levy will be revenue neutral.

SB 184

6. The amount of wheat and barley assessments collected in future years will vary since the assessments are based on the amount of wheat and barley production. The amount of wheat and barley production in any given year is contingent upon many variables which can not be reasonably estimated prior to the production season. These variables include the amount of wheat and barley planted, drought, excessive rain, insect and disease infestations, sprout or frost damage, and the length of the growing season. As a result, the fiscal impact cannot be estimated for FY 2000 and FY 2001.
7. Assessments collected in future years that exceed actual revenue collected in the prior year would relate to taxable personal property being moved into the governmental unit. Therefore, SB 184, section 1, does not limit the amount of revenue collected when the reason for the increased collections is increased wheat and barley production.
8. Tax revenues are allowed to increase from year to year as a result of the items cited in Section 1(3).

FISCAL IMPACT:	FY2000 Difference	FY2001 Difference
Revenues:		
State Special Revenue (02)	Can not be determined see assumption 6	
Net Impact to Fund Balance (Revenue minus Expenditure):		
State Special Revenue (02)	Can not be determined see assumption 6	

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:
Local government tax revenues would be limited to the same amount collected in the preceding year, unless the voters had approved additional levies. However, because of subpart 3 and 4 of section one, a local government may experience administrative costs when making refunds, when such refunds become necessary due to taxes being collected for reasons other than those defined in subpart 3.

LONG-RANGE IMPACTS:
1. A low wheat and barley production season will reduce the amount of actual revenue collected. In the next tax year, the mill levy must be reduced. If the subsequent year is a high production year, the actual revenue collected will increase which will increase the mill levy (within the requirements of section 80-11-206). This will result in fluctuating budgets which may not best meet the needs of grain producers in providing research and marketing services.
2. Local government tax revenues will be limited unless voters approve an additional levy.

TECHNICAL NOTES:
1. Article XII, Section 1(2) of the Montana Constitution states special levies may be made on agricultural commodities, and that the revenue shall be used solely for the purposes of the levies. Section 1 of SB184 may be in conflict with this provision in that the refunded collection cannot be used for the purpose for which they were collected.
2. Wheat and barley assessments are called mills in the state law; however, section 80-11-207, MCA, allows producers to receive a full refund of assessments paid. The assessment is based on the quantity of wheat and barley sold, not the value of the product that was sold which differs from other types of property tax.
3. If assumption 7 is incorrect, then the timing of the tax elections are a technical problem since the amount of assessments collected during a calendar year cannot be known until the end of the year. This does not provide enough time to determine a new assessment and get it approved by the voters.

MINUTES

MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on March 25, 1999 at 8:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. E. P. "Pete" Ekegren (R)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis Jr.(R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 532, 3/19/1999
Executive Action: SB 532; SB 184

EXECUTIVE ACTION ON SB 184

CHAIRMAN DEVLIN said some amendments have come forth on **SB 184**. He said when it was amended the last time in order to get a Fiscal Note, some of the per capita fees on livestock got eliminated. He asked **Mr. Heiman** to explain these current amendments.

Mr. Heiman said these are amendments that cover the wheat and barley assessment and the livestock per capitas. He said the bill is aimed at property taxes, and neither one of those two types of things are true property taxes, and they should be eliminated from the bill. He passed out two sets of amendments, one that he created, **EXHIBIT(tas67a01)**, and one that was suggested by the Department of Livestock, **EXHIBIT(tas67a02)**. He said the difference between the two is that the Department, in their amendment no. 2, wanted to eliminate 15-24-206 from the bill, which is part of the per capita and should be included in the amendment.

Mr. Heiman said his amendment deletes through Section 235, and the Department picks up Section 236 in their amendments. He said he did not think Section 236 should be deleted from the bill. It is a property tax for horse shows that is on the taxable value of the counties and probably should remain in the bill.

CHAIRMAN DEVLIN asked about the fees for predator control, and **Mr. Heiman** said that bounty fees are part of what was agreed on. **CHAIRMAN DEVLIN** asked what Section 236 involved, and **Mr. Heiman** said it is a property tax for purebred livestock and livestock sales. On page 141, line 10, it may not exceed .25 mill on the taxable property of the county.

SEN. ELLIS said that both the sections the Department recommended eliminating are larger in number by one than **Mr. Heiman's**, and he wondered if they looked at a different copy of the bill. **Mr. Heiman** said that Section 236 is the one on page 141 that they suggest deleting, and he recommends that it remain in the bill as a true property tax as opposed to a per capita tax on livestock or barley, a type of an assessment, not a property tax. **Mr. Heiman** said he recommended eliminating Sections 229 through 235, and Section 147, which is 15-24-206 and is part of the livestock per capita.

Motion/Vote: SEN. ELLIS MOVED SB108402.ALH PLUS STRIKING SECTION 147 IN ITS ENTIRETY. Motion carried 9-0.

Motion: SEN. STANG MOVED THAT SB 184 DO PASS AS AMENDED.

Discussion:

SEN. STANG said he had a problem with the phase-in of the taxes and the tax relief to homeowners, but at this point in the session he feels it is important to keep another vehicle alive to

do this, so he will support the continuation of the bill through the process.

SEN. GLASER said this has **SB 195** concepts in it, and he supports that.

SEN. ELLIS said that this creates less tax shifting than any of the alternatives that he has seen since **SB 195** and is more likely to be palatable to the taxpayers that are going to see the huge increases in valuations.

SEN. ELLINGSON said he is going to vote against it because he feels the legislature is engaging in a negotiating process to a certain extent with the Supreme Court. The Supreme Court has told the legislature that when the proper case is presented to it, it is going to find all of **SB 195** unconstitutional. He said our Constitution clearly provides that taxes be based on fair market value, and he believed that there is a Constitutional problem with a phase-in, whether it is four years or 50 years.

SEN. ECK said that she remembered Justice McDonough telling the committee years back that a phase-in over a short period of time would be acceptable. She said it is important to take care of **SB 195** before it is thrown back at us, and she felt this bill would do that.

SEN. DEPRATU said this is the proper way to go at this time, and he feels it is good legislation. We should go forward with it.

SEN. GLASER said he thinks that there is a compelling state interest to have short and moderate term stability and predictability in our taxing system on homes, a compelling state interest to do that. That's what he thought two years ago and that is what he thinks today, and even if it is just a little shady as to what they may think about the Constitution, if you have a compelling state interest to do this, then that should reign.

Vote: Motion carried 8-1 with Ellingson voting no (Roll call vote #1).

SENATE TAXATION
DATE 3/25/99
EXHIBIT NO. 1
BILL NO. SB184

Amendments to Senate Bill No. 184
1st Reading Copy

Requested by Senator Lorents Grosfield

For the Senate Taxation Committee

Prepared by Lee Heiman
March 25, 1999 (7:51AM)

1. Title, page 2, lines 3 and 4.
Strike: "80-11-206," on line 3 through "81-7-202," on line 4

2. Page 137, line 22 through page 141, line 5.
Strike: section 229 through section 235 in their entirety
Renumber: subsequent sections

- END -

SENATE TAXATION
DATE 3/25/99
EXHIBIT NO. 2
BILL NO. SB 184

56th Legislature

Amendment To
SENATE BILL NO. 184
(Introduced Bill)

1. Title, Page 1, Line 24
   Following: "15-23-214"
   Strike: "15-24-922,"

2. Title, Page 2, Line 3
   Following: "80-11-206"
   Strike: "81-6-104" through "81-8-504" on line 4

3. Page 80, Line 22
   Following: "interest under that section."
   Strike: Section 147 in its entirety
   Renumber: subsequent sections

4. Page 138, Line 16
   Following: "or other person."
   Strike: Sections 230 through section 236 on page 141
   Renumber: subsequent sections

-END-

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on April 8, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: Rep. Daniel Fuchs (R)

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch
Pam Schindler, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 184,SB 424, SB 530, SB 370, 3/31/1999
Executive Action: None

HEARING ON SB 184

Sponsor:

Senator Grosfield presented SB 184.

{Tape : 1; Side : A; Approx. Time Counter : 38 - 369}

EXHIBIT(tah76a01)

EXHIBIT(tah76a02)

Proponents:

Alvin Ellis, Senator Dist. #12
{Tape : 1; Side : A; Approx. Time Counter : 369 - 550}
Emily Swanson, House District-Bozeman
{Tape : 1; Side : B; Approx. Time Counter : 0 - 60}

EXHIBIT(tah76a03)

Kenneth Mackey, Montana Farmers Union
{Tape : 1; Side : B; Approx. Time Counter : 60 - 69}
Dennis Burr, Montana Taxpayers Association
{Tape : 1; Side : B; Approx. Time Counter : 69 - 80}
Steve Smezek, Montana Association of Realtors
{Tape : 1; Side : B; Approx. Time Counter : 80 - 89}

Opponents:

Gordon Morris, Montana Association of Counties
{Tape : 1; Side : B; Approx. Time Counter : 89 - 337}

EXHIBIT(tah76a04)

Mike Kedes, Missoula Mayor
{Tape : 1; Side : B; Approx. Time Counter : 337 - 472}
Alex Hanson, League of Cities
{Tape : 1; Side : B; Approx. Time Counter : 472 - 550}
{Tape : 2; Side : A; Approx. Time Counter : 0 - 8}

Informational Testimony:

None

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 8 - 550}
{Tape : 2; Side : B; Approx. Time Counter : 0 - 74}

Closing by Sponsor:

Senator Grosfield made closing statements.
{Tape : 2; Side : B; Approx. Time Counter : 74 - 221}

Guide To Taxes — January 1999

Compiled by
Tax Policy and Research

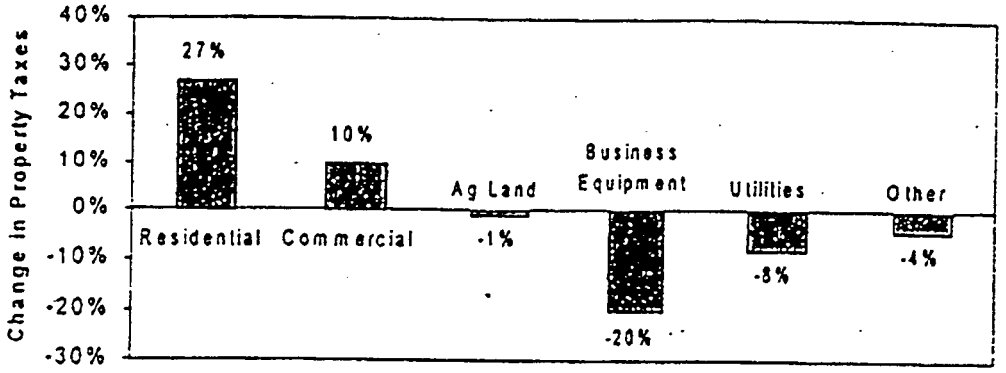
Department of Revenue

EXHIBIT 59
DATE 4/8/99
SB 184

Estimated Tax Impact of Full Implementation of the 1997 Reappraisal

The 1997 reappraisal resulted in a 45% increase in the total assessed value of residential and commercial property. Without preventive action, the law required that the appraised values determined by the 1997 reappraisal replace the values determined by the 1993 reappraisal. The increase in valuations would have resulted in increased property taxes, for class 4, residential and commercial property. An estimate of the tax impact of full implementation of the 1997 reappraisal is shown in Table 1.

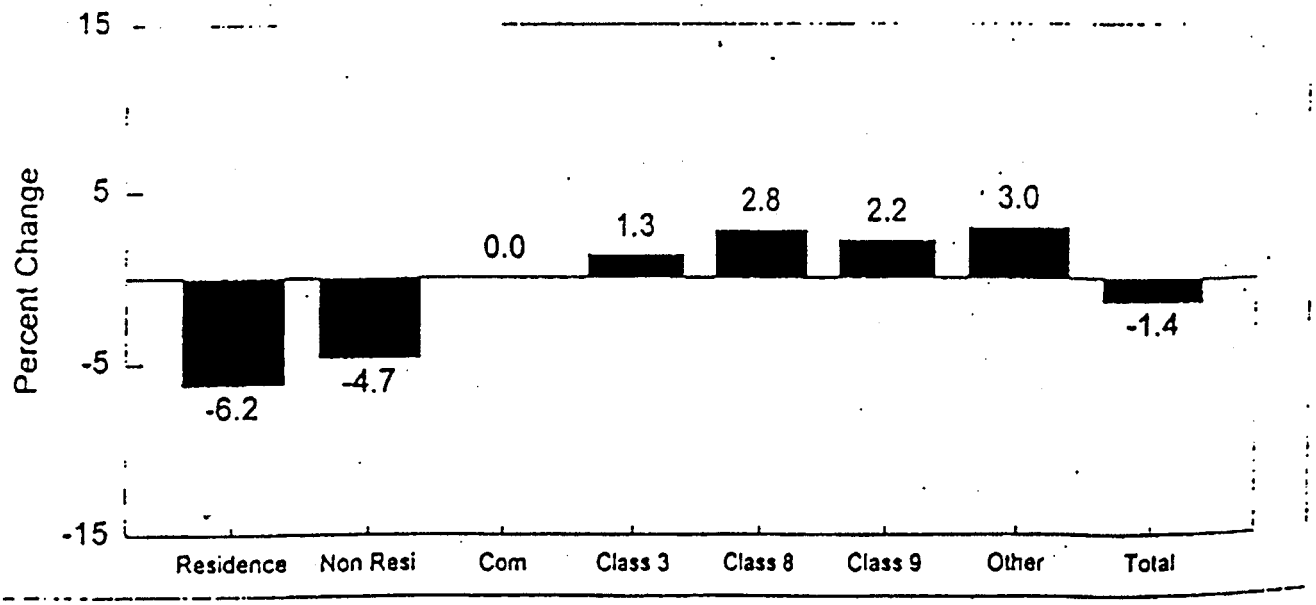
Table 1
Estimated Impact of Implementing Full Reappraisal in 1997



SB184
1/4 Phased In

16% Homestead, 6.5% Comstead, Class 4 and 3 at 3.7105%, Class 10 at 0.68%

Estimated Percent Change in Property Tax Liability



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues eve.

SB184
Analysis of Impact

1) Estimated change in property tax liability by property group.
2) Estimated change in property taxes paid by class 4 residences.

Components of SB184

a) Phase-in to full reappraisal over a four-year period. (agricultural land, class 4 residential and commercial, and forest land)

b) Phase-down to a tax rate of 3.46% for agricultural land and class 4 residential and commercial property.

c) Phase-down to a tax rate of 0.35% for forest land, holding the taxable value for forest land constant.

d) Phase-in a homestead relief for all residential property, including all rental property.

e) Phase-in a comstead relief for all commercial property.

Who Pays Less?

90% of all residences will have a tax reduction in the first year.
(This is property with a reappraisal increase of 85% or less)

83% of all residences will have a tax reduction in the second year.
(This is property with a reappraisal increase of 65% or less)

78% of all residences will have a tax reduction in the third year.
(This is property with a reappraisal increase of 60% or less)

74% of all residences will have a tax reduction in the fourth year.
(This is property with a reappraisal increase of 55% or less)

In this analysis local government mill levies were adjusted accordingly to generate prior year property tax revenues. Local school district general fund mill levies were determined by a school funding model to maintain minimum budgets required under section 20-9-308(1)(a), MCA.

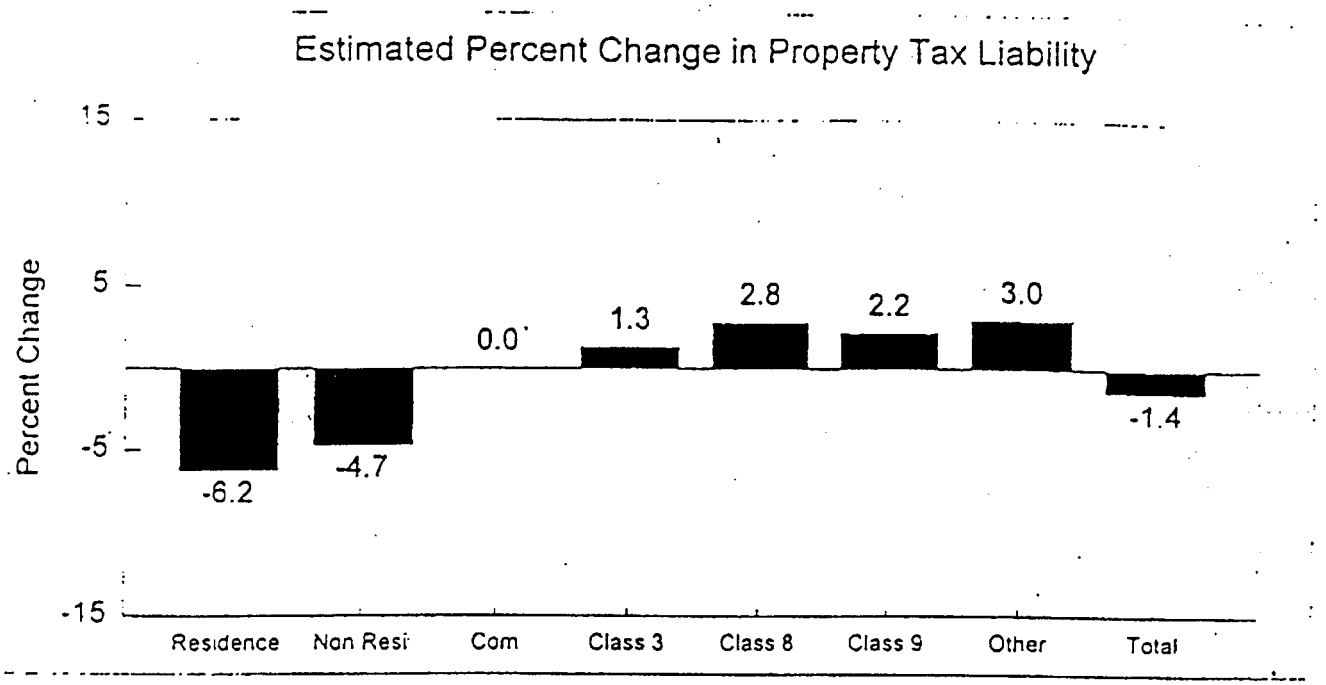
Prepared for the Montana Legislature March 30, 1998

Tax Policy
and Research

Montana Department
of Revenue

SB184
1/4 Phased In

16% Homestead, 6.5% Comstead, Class 4 and 3 at 3.7105%, Class 10 at 0.68%



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues level.

Estimated Decrease in Statewide Taxable Value:	
(71,149,877)	
-3.6%	

Impact to State Mill Leives:	
95 mill	(6,759,238)
1.5 mill	(37,354)
6 mill	(426,899)
9 mill	(256,140)

Impact to General Fund Through Increase in State Aid to GTB
(2,144,371)

Change in Property Taxes Paid	
Residences	(15,378,729)
Non Residences	(1,701,476)
Commercial	(38,916)
Class 3	678,139
Class 8	2,007,706
Class 9	3,232,346
Other	-1,576,928
Total	**(9,624,002)**

Cost to the State

1/4 Phased In

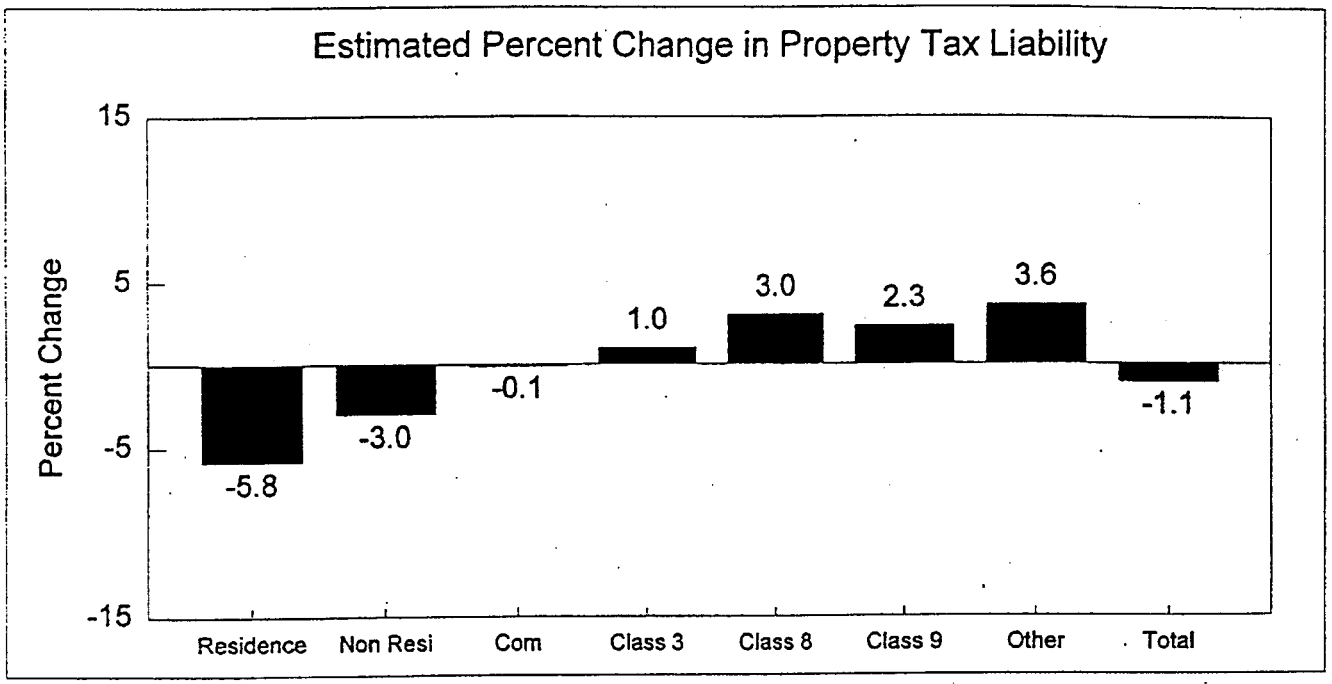
Estimated Percent Change in Property Tax Liability

16% for Residential, 6.5% for Commercial, and Class 4 rate at 3.7105%, Timber at 0.68%

County	Residential	Industrial	Commercial	Class 4	Class 5	Class 6	Class 7	Class 8
Beaverhead	-6	-7	4	2	2	2	2	-1
Big Horn	-8	-10	-5	2	1	2	2	-1
Blaine	-13	-16	-5	2	3	3	3	-1
Broadwater	-6	-13	-5	1	1	1	2	-1
Carbon	-4	0	3	1	1	1	1	-1
Carter	-16	-20	-1	3	1	1	1	-0
Cascade	-8	-1	1	2	5	5	5	-2
Chouteau	-8	-11	-5	-1	2	2	3	-1
Custer	-7	-7	-4	5	4	4	4	-2
Daniels	-12	-22	-2	2	4	4	4	-1
Dawson	-8	-19	-6	2	3	3	3	-1
Deer Lodge	-3	3	-7	4	2	2	6	-1
Fallon	-14	-16	-3	2	2	2	2	-1
Fergus	-5	-6	-3	0	2	2	3	-1
Flathead	-5	-6	-2	4	5	5	6	-2
Gallatin	-5	-6	5	2	2	2	4	-1
Garfield	-16	-19	-6	3	2	0	2	-1
Glacier	-9	-10	-5	-0	2	2	2	-1
Golden Valley	-9	-13	-6	1	1	1	1	-0
Granite	-7	11	3	1	0	0	3	-0
Hill	-8	-5	-3	1	3	3	3	-1
Jefferson	-7	-7	-2	4	2	2	2	-1
Judith Basin	-10	-14	-6	-0	1	1	1	-1
Lake	-6	3	1	3	2	3	5	-2
Lewis & Clark	-6	-4	3	4	3	3	3	-1
Liberty	-10	-16	-5	0	3	3	3	-1
Lincoln	-7	-2	0	4	2	2	4	-2
Madison	-8	7	1	2	1	1	2	-1
McCone	-15	-23	-4	2	4	3	4	-1
Meagher	-8	-11	-1	3	1	1	5	-1
Mineral	-9	-4	4	2	1	1	4	-1
Missoula	-4	-3	0	4	3	3	5	-1
Musselshell	-8	-18	-8	3	2	2	6	-1
Park	-2	2	-2	1	1	1	2	-0
Petroleum	-7	-11	-10	2	1	0	1	-0
Phillips	-13	-15	-5	2	2	2	2	-1
Pondera	-7	-14	-5	-1	3	3	3	-1
Powder River	-15	-16	-4	4	3	3	3	-1
Powell	-10	-7	2	3	2	2	5	-1
Prairie	-14	-19	-6	2	2	3	2	-1
Ravalli	-4	-7	0	4	3	3	4	-2
Richland	-10	-19	-1	2	3	3	3	-2
Roosevelt	-13	-16	-5	-0	2	2	1	-1
Rosebud	-11	-25	-9	2	0	0	1	-0
Sanders	-6	-5	1	2	1	1	3	-0
Sheridan	-11	-19	-4	1	3	5	3	-1
Silver Bow	-7	-2	-1	4	3	3	3	-1
Stillwater	-6	-8	-3	1	2	1	2	-1
Sweet Grass	-2	8	-5	2	0	0	1	-0
Teton	-6	-4	-6	-0	2	2	2	-1
Toole	-9	-1	-5	-0	2	2	3	-1
Treasure	-10	-18	-11	2	1	1	1	-0
Valley	-10	-2	-4	1	2	2	2	-1
Wheatland	-7	-14	-7	1	1	1	1	-0
Wibaux	-14	-18	-6	2	2	3	2	-1
Yellowstone	-6	-10	-0	3	4	4	3	-2
Statewide	-6.2	-4.7	-0.0	1.3	2.8	2.2	3.0	-1.4

SB184
2/4 Phased In

21% Homestead, 9.0% Comstead, Class 4 and 3 at 3.6270%, Class 10 at 0.57%



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues level.

Estimated Decrease in Statewide Taxable Value:

(67,096,213)
-3.4%

Impact to State Mill Leives:

95 mill	(6,374,140)
1.5 mill	(35,226)
6 mill	(402,577)
9 mill	(241,546)

Impact to General Fund Through Increase in State Aid to GTB

(662,112)

Change in Property Taxes Paid

Residences	(14,417,947)
Non Residences	(1,105,237)
Commercial	(120,584)
Class 3	527,376
Class 8	2,135,127
Class 9	3,407,036
Other	1,858,628
Total	**(7,715,601)**

Cost to the State

2/4 Phased In

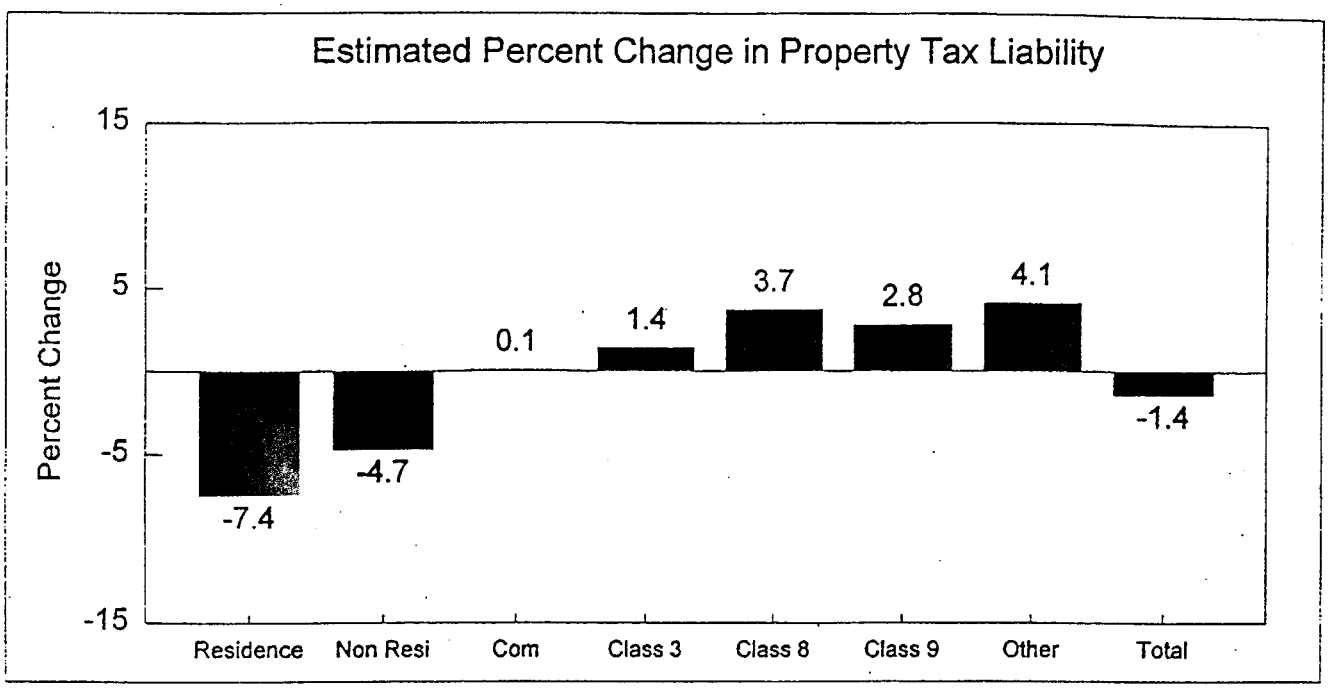
Estimated Percent Change in Property Tax Liability

21% for Residential, 9.0% for Commercial, and Class 4 rate at 3.627%, Timber at 0.57%

County	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beaverhead	-5	-7	8	2	1	1	1	-0
Big Horn	-8	-11	-8	2	2	2	3	-1
Blaine	-17	-22	-9	3	4	4	4	-1
Broadwater	-3	-17	-7	2	2	2	2	-0
Carbon	-2	6	6	1	0	0	1	1
Carter	-22	-30	-2	5	1	1	1	-0
Cascade	-9	4	2	1	6	6	6	-2
Chouteau	-8	-13	-9	-4	4	3	4	-2
Custer	-7	-7	-8	7	5	5	4	-2
Daniels	-16	-35	-4	2	6	7	6	-2
Dawson	-8	-28	-10	2	4	4	4	-1
Deer Lodge	1	11	-13	5	2	2	6	-0
Fallon	-19	-23	-6	3	2	2	3	-2
Fergus	-4	-4	-6	-0	3	2	4	-1
Flathead	-5	-7	-4	3	5	5	7	-3
Gallatin	-4	-5	10	0	1	1	3	-0
Garfield	-22	-28	-10	4	2	0	2	-1
Glacier	-9	-12	-9	-2	3	3	3	-1
Golden Valley	-8	-16	-8	1	1	1	2	0
Granite	-6	27	7	1	-0	-0	3	1
Hill	-9	-3	-4	-1	4	5	4	-2
Jefferson	-5	-6	-2	6	2	2	2	-1
Judith Basin	-10	-18	-9	-1	2	2	2	-1
Lake	-5	11	1	2	2	2	5	-1
Lewis & Clark	-5	-1	5	5	2	2	3	-1
Liberty	-11	-22	-9	-1	4	4	4	-2
Lincoln	-6	3	2	5	2	2	5	-1
Madison	-8	19	2	2	1	1	1	-0
McCone	-21	-35	-7	2	5	5	5	-2
Meagher	-7	-13	-1	4	1	1	7	-0
Mineral	-9	-1	9	2	1	1	4	-0
Missoula	-2	0	0	4	2	2	5	-0
Musselshell	-7	-27	-13	4	3	3	10	-1
Park	2	9	-3	0	-0	-0	1	1
Petroleum	-4	-12	-18	3	1	0	1	0
Phillips	-17	-20	-7	2	3	3	4	-1
Pondera	-5	-17	-8	-3	4	4	4	-1
Powder River	-21	-23	-6	7	4	4	5	-1
Powell	-13	-6	5	5	3	3	6	-1
Prairie	-19	-29	-10	3	3	4	3	-1
Ravalli	-3	-8	1	4	3	3	5	-2
Richland	-12	-28	-1	2	4	4	4	-2
Roosevelt	-17	-22	-7	-1	3	3	3	-1
Rosebud	-12	-39	-16	4	1	0	1	-0
Sanders	-3	-2	3	2	1	1	3	0
Sheridan	-14	-29	-7	1	5	7	5	-2
Silver Bow	-7	2	-1	5	3	3	3	-1
Stillwater	-4	-9	-5	0	2	1	2	-0
Sweet Grass	4	21	-8	2	-1	-1	1	1
Teton	-3	-1	-9	-2	3	3	3	-1
Toole	-10	5	-8	-2	3	3	4	-1
Treasure	-10	-26	-19	3	1	1	1	-0
Valley	-11	4	-7	-0	3	3	3	-1
Wheatland	-5	-18	-11	2	1	1	1	-0
Wibaux	-19	-25	-9	2	3	4	4	-1
Yellowstone	-6	-12	-1	3	4	4	4	-2
Statewide	-5.8	-3.0	-0.1	1.0	3.0	2.3	3.6	-1.1

SB184
2/4 Phased In

23% Homestead, 9.0% Comstead, Class 4 and 3 at 3.6270%, Class 10 at 0.57%



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues level.

Estimated Decrease in Statewide Taxable Value:

(83,301,681)
-4.2%

Impact to State Mill Leives:

95 mill	(7,913,660)
1.5 mill	(43,733)
6 mill	(499,810)
9 mill	(299,886)

Impact to General Fund Through Increase in State Aid to GTB

(1,192,181)

Change in Property Taxes Paid

Residences	(18,507,210)
Non Residences	(1,713,365)
Commercial	679,094
Class 3	725,996
Class 8	2,583,813
Class 9	4,148,953
Other	2,133,449
Total	**(9,949,270)**

Cost to the State

2/4 Phased In

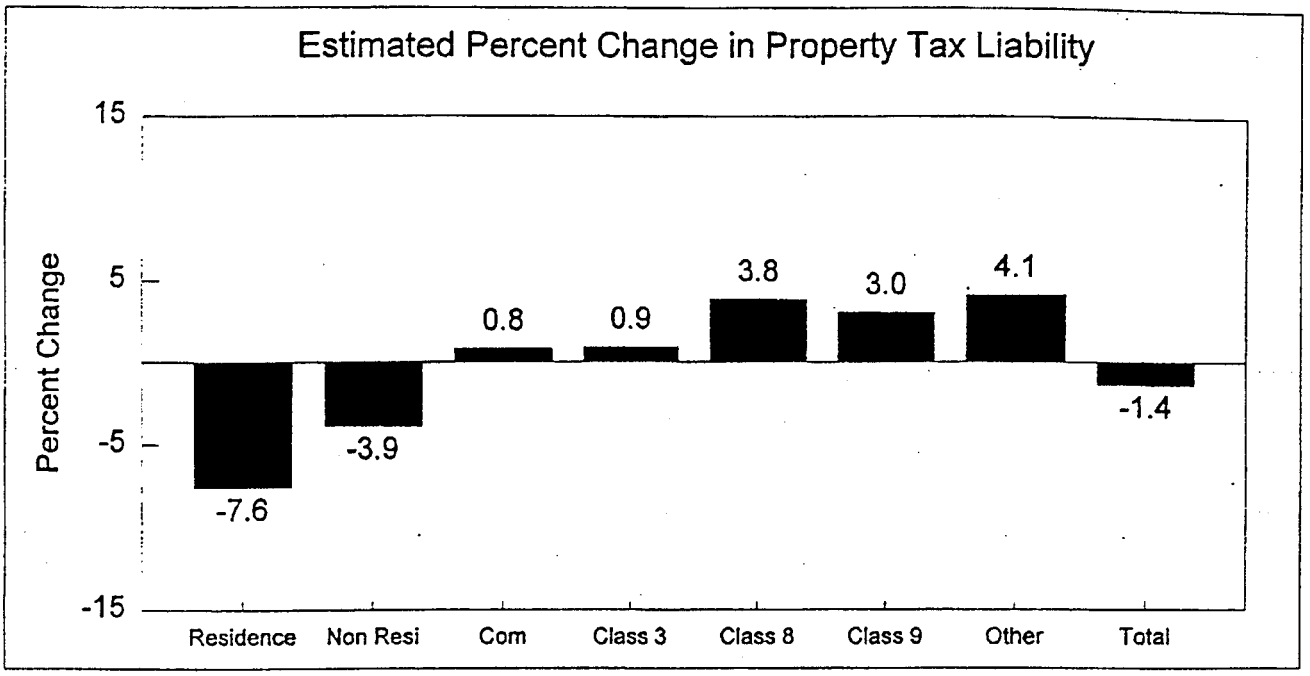
Estimated Percent Change in Property Tax Liability

23% for Residential, 9.0% for Commercial, and Class 4 rate at 3.627%, Timber at 0.57%

County	Class 4 Residential	Class 4 Non-Residential	Class 3	Class 2	Class 1	All Property	All Property
Beaverhead	-7	-9	9	3	2	2	2	-1
Big Horn	-10	-13	-8	3	2	3	3	-1
Blaine	-19	-24	-9	4	4	4	4	-1
Broadwater	-5	-19	-6	2	2	2	3	-0
Carbon	-4	4	6	2	1	1	1	0
Carter	-23	-31	-1	5	2	1	1	-0
Cascade	-11	2	3	2	7	6	7	-3
Chouteau	-10	-14	-8	-4	4	3	4	-2
Custer	-8	-9	-7	8	6	6	5	-2
Daniels	-17	-36	-3	2	6	7	6	-2
Dawson	-10	-30	-9	3	4	5	4	-1
Deer Lodge	-1	9	-12	6	2	2	7	-1
Fallon	-20	-25	-5	3	2	2	3	-2
Fergus	-5	-6	-5	-0	3	3	5	-1
Flathead	-6	-9	-3	4	6	6	8	-3
Gallatin	-5	-7	11	1	2	2	4	-1
Garfield	-23	-30	-10	5	3	0	3	-1
Glacier	-11	-14	-8	-2	4	3	3	-1
Golden Valley	-10	-18	-8	2	1	1	2	-0
Granite	-8	24	8	2	0	0	4	1
Hill	-11	-5	-4	-0	5	5	5	-2
Jefferson	-7	-8	-1	6	2	3	2	-1
Judith Basin	-12	-19	-9	-1	2	2	2	-1
Lake	-7	9	2	3	3	3	6	-1
Lewis & Clark	-7	-3	6	6	3	3	4	-1
Liberty	-13	-24	-9	-0	4	4	4	-2
Lincoln	-8	1	3	6	3	3	5	-1
Madison	-10	16	3	3	1	1	2	-0
McCone	-22	-37	-7	3	6	5	6	-2
Meagher	-9	-15	-0	5	2	1	7	-0
Mineral	-11	-3	9	3	2	2	5	-0
Missoula	-4	-2	1	5	3	3	6	-1
Musselshell	-9	-28	-13	4	4	4	10	-2
Park	0	7	-3	1	0	0	2	1
Petroleum	-6	-14	-17	3	1	0	1	0
Phillips	-19	-22	-7	2	4	3	4	-1
Pondera	-7	-19	-7	-3	4	4	4	-1
Powder River	-23	-24	-5	7	4	4	5	-1
Powell	-14	-8	6	5	3	3	7	-1
Prairie	-21	-30	-9	3	3	4	3	-1
Ravalli	-4	-9	2	5	4	4	6	-2
Richland	-14	-30	-1	3	4	5	4	-2
Roosevelt	-18	-23	-7	-1	3	3	3	-1
Rosebud	-14	-40	-15	4	1	0	1	-0
Sanders	-5	-4	4	3	1	1	3	0
Sheridan	-16	-30	-6	1	5	8	5	-2
Silver Bow	-9	0	0	6	4	4	4	-2
Stillwater	-6	-11	-5	0	2	2	3	-1
Sweet Grass	2	19	-8	3	-1	-1	1	1
Teton	-5	-3	-9	-1	3	3	4	-1
Toole	-11	3	-7	-2	4	4	4	-1
Treasure	-12	-27	-18	3	1	1	2	-0
Valley	-13	2	-7	0	3	3	3	-1
Wheatland	-8	-20	-11	2	1	1	2	-0
Wibaux	-21	-27	-9	3	4	4	4	-1
Yellowstone	-8	-14	-0	4	5	5	5	-2
Statewide	-7.4	-4.7	0.7	1.4	3.7	2.8	4.1	-1.4

SB184
3/4 Phased In

27.5% Homestead, 11.0% Comstead, Class 4 and 3 at 3.5435%, Class 10 at 0.46%



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues level.

Estimated Decrease in Statewide Taxable Value:

(84,615,867)
-4.2%

Impact to State Mill Leives:

95 mill	(8,038,507)
1.5 mill	(44,423)
6 mill	(507,695)
9 mill	(304,617)

Impact to General Fund Through Increase in State Aid to GTB

(1,380,225)

Change in Property Taxes Paid

Residences	(19,035,479)
Non Residences	(1,399,437)
Commercial	843,742
Class 3	339,176
Class 8	2,646,116
Class 9	4,245,650
Other	2,084,764
Total	**(10,275,468)**

Cost to the State

3/4 Phased In

Estimated Percent Change in Property Tax Liability

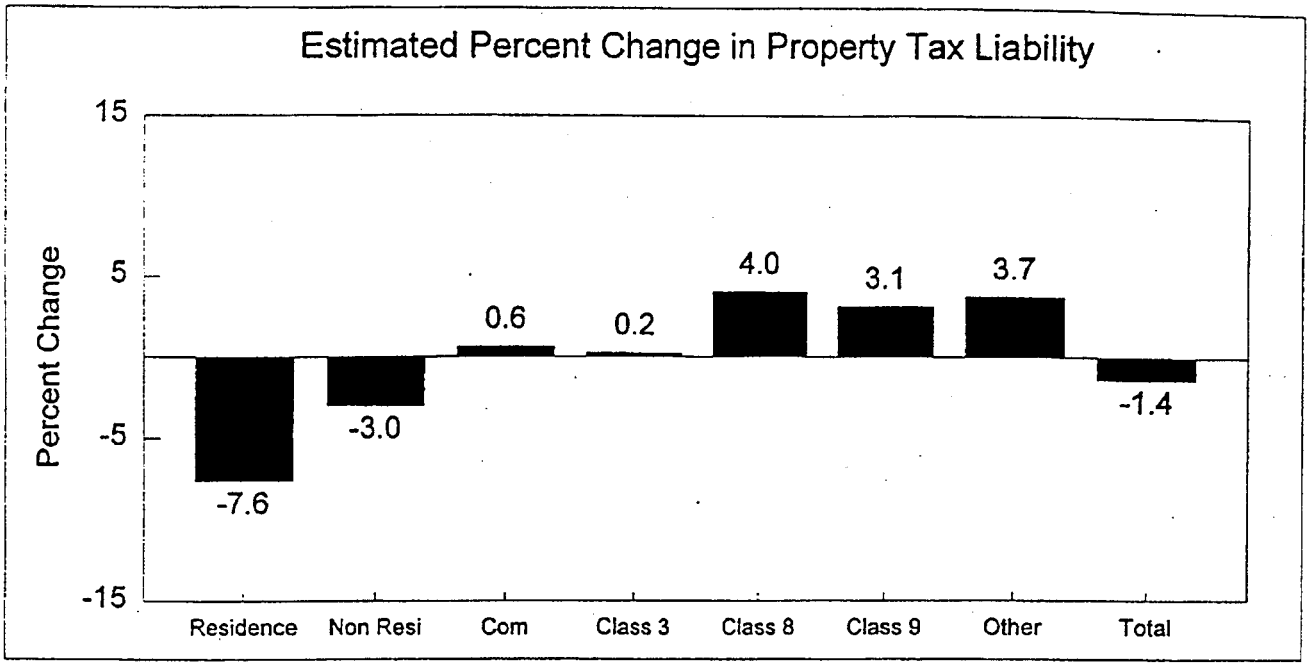
27.5% for Residential, 11.0% for Commercial, and Class 4 rate at 3.5435%, Timber at 0.46%

County	Class 4 Residential	Class 4 Mobile Homes	Class 4 Commercial	Class 4 Other	Class 10	Class 12	Class 8 Personal Property	All Property
Beaverhead	-6	-9	12	2	2	2	2	-0
Big Horn	-10	-15	-11	3	2	3	3	-1
Blaine	-23	-29	-13	4	6	6	5	-2
Broadwater	-4	-23	-8	2	2	2	3	-1
Carbon	-2	9	9	1	0	-0	1	1
Carter	-29	-40	-1	7	2	1	1	-1
Cascade	-13	5	4	1	8	7	7	-3
Chouteau	-10	-16	-11	-6	5	5	6	-2
Custer	-9	-10	-11	10	6	6	6	-2
Daniels	-21	-48	-4	2	8	9	8	-3
Dawson	-10	-38	-13	3	5	6	5	-1
Deer Lodge	1	15	-17	7	2	2	5	-0
Fallon	-25	-32	-7	4	3	3	3	-2
Fergus	-4	-5	-7	-1	3	3	5	-1
Flathead	-6	-9	-4	3	7	7	8	-3
Gallatin	-5	-7	15	-1	1	1	3	-0
Garfield	-29	-38	-13	6	3	0	3	-1
Glacier	-12	-15	-11	-3	4	4	4	-1
Golden Valley	-10	-21	-11	2	1	1	2	-0
Granite	-7	36	12	1	-1	-0	2	1
Hill	-12	-4	-5	-2	6	6	6	-2
Jefferson	-7	-8	-1	8	2	2	2	-1
Judith Basin	-13	-23	-12	-2	2	2	3	-1
Lake	-7	15	2	2	2	2	5	-1
Lewis & Clark	-7	-1	9	7	2	2	3	-1
Liberty	-14	-29	-12	-2	6	6	6	-2
Lincoln	-8	4	4	7	2	2	4	-1
Madison	-11	25	4	2	1	1	1	-0
McCone	-27	-48	-10	3	7	6	8	-3
Meagher	-10	-18	0	6	2	1	6	-0
Mineral	-12	-1	14	3	2	2	4	-0
Missoula	-3	0	1	5	2	2	5	-0
Musselshell	-9	-36	-18	5	4	4	12	-2
Park	3	13	-4	0	-1	-1	0	1
Petroleum	-5	-16	-24	4	1	0	1	0
Phillips	-23	-27	-9	2	4	4	5	-2
Pondera	-7	-23	-10	-5	5	5	5	-2
Powder River	-28	-31	-7	9	5	5	6	-1
Powell	-17	-8	9	6	4	4	6	-2
Prairie	-26	-39	-13	3	4	5	4	-1
Ravalli	-4	-10	2	5	4	4	5	-2
Richland	-16	-38	-1	3	5	6	5	-3
Roosevelt	-22	-29	-9	-3	4	3	3	-1
Rosebud	-16	-52	-21	5	1	0	1	-0
Sanders	-4	-2	6	3	1	1	2	0
Sheridan	-19	-39	-9	1	7	10	7	-3
Silver Bow	-10	3	0	7	4	4	4	-2
Stillwater	-5	-11	-6	-0	2	2	3	-1
Sweet Grass	5	29	-10	3	-2	-2	0	2
Teton	-4	-1	-12	-3	4	4	4	-1
Toole	-12	7	-10	-4	5	5	5	-2
Treasure	-13	-34	-25	4	2	1	2	-0
Valley	-15	5	-9	-1	4	3	3	-2
Wheatland	-7	-24	-14	2	1	1	2	-0
Wibaux	-25	-34	-12	3	5	5	5	-2
Yellowstone	-9	-17	-0	3	6	6	5	-2
Statewide	-7.6	-3.9	0.8	0.9	3.8	3.0	4.1	-1.4

SB184

Fully Phased In

31% Homestead, 13.0% Comstead, Class 4 and 3 at 3.460%, Class 10 at 0.35%



Assumes that local governments would adjust mill levies up or down accordingly to hold property tax revenues level.

Estimated Decrease in Statewide Taxable Value:

(85,521,595)
-4.3%

Impact to State Mill Leives:

95 mill	(8,124,552)
1.5 mill	(44,899)
6 mill	(513,130)
9 mill	(307,878)

Impact to General Fund Through Increase in State Aid to GTB

(1,191,431)

Change in Property Taxes Paid

Residences	(18,913,419)
Non Residences	(1,098,344)
Commercial	577,602
Class 3	106,479
Class 8	2,803,810
Class 9	4,449,105
Other	1,892,878
Total	**(10,181,889)**

Cost to the State

Fully Phased In

Estimated Percent Change in Property Tax Liability

31% for Residential, 13.0% for Commercial, and Class 4 rate at 3.460%, Timber at 0.35%

County	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8
Beaverhead	-6	-9	15	2	1	1	1	-0
Big Horn	-10	-16	-13	3	3	3	4	-2
Blaine	-27	-34	-17	5	6	7	6	-2
Broadwater	-3	-26	-10	1	2	2	2	-1
Carbon	-1	12	11	0	-1	-1	-0	1
Carter	-33	-47	-2	9	2	1	1	-1
Cascade	-14	8	4	-1	8	8	8	-3
Chouteau	-10	-18	-14	-9	6	6	7	-3
Custer	-9	-10	-14	11	7	7	6	-2
Daniels	-23	-58	-6	1	9	11	9	-3
Dawson	-11	-45	-16	3	6	6	6	-2
Deer Lodge	3	20	-21	8	1	1	0	-0
Fallon	-29	-37	-9	5	4	4	4	-2
Fergus	-3	-4	-9	-2	3	3	5	-1
Flathead	-6	-10	-6	2	8	8	5	-3
Gallatin	-4	-7	18	-2	-0	-0	1	0
Garfield	-33	-44	-17	7	3	0	3	-1
Glacier	-13	-17	-14	-5	5	4	5	-1
Golden Valley	-10	-24	-13	2	1	1	2	-0
Granite	-7	47	15	1	-1	-1	-0	1
Hill	-13	-2	-7	-3	7	7	7	-3
Jefferson	-7	-7	-1	9	2	2	2	-1
Judith Basin	-13	-26	-15	-3	3	3	3	-1
Lake	-7	19	2	2	1	1	3	-0
Lewis & Clark	-7	0	10	7	2	2	2	-0
Liberty	-15	-34	-15	-3	7	7	7	-3
Lincoln	-7	8	5	8	2	2	0	-1
Madison	-11	33	6	2	0	0	0	0
McCone	-32	-57	-12	3	9	8	9	-3
Meagher	-9	-19	0	7	2	1	3	-0
Mineral	-12	2	18	2	2	2	2	-0
Missoula	-2	2	1	5	1	1	2	-0
Musselshell	-9	-42	-23	5	5	5	11	-2
Park	6	17	-5	-1	-2	-2	-2	2
Petroleum	-4	-18	-31	4	0	0	1	1
Phillips	-26	-31	-12	2	5	4	6	-2
Pondera	-6	-26	-12	-7	6	6	6	-2
Powder River	-32	-36	-9	11	6	5	7	-2
Powell	-18	-7	11	8	4	4	4	-2
Prairie	-30	-46	-17	4	5	6	5	-2
Ravalli	-3	-11	2	5	4	4	4	-2
Richland	-17	-45	-2	2	6	7	6	-3
Roosevelt	-25	-34	-11	-4	4	4	4	-2
Rosebud	-17	-63	-26	6	1	0	1	-0
Sanders	-2	-0	8	3	1	0	-1	0
Sheridan	-21	-47	-12	0	8	11	8	-3
Silver Bow	-10	6	0	7	4	4	4	-2
Stillwater	-4	-12	-8	-1	2	2	3	-1
Sweet Grass	8	37	-13	3	-3	-3	-1	2
Teton	-3	2	-15	-5	4	4	4	-1
Toole	-13	12	-13	-5	5	5	6	-2
Treasure	-13	-40	-32	4	2	1	2	-0
Valley	-16	9	-12	-2	4	4	4	-2
Wheatland	-6	-27	-18	3	1	1	2	-0
Wibaux	-29	-40	-16	3	5	6	6	-2
Yellowstone	-9	-19	-1	3	6	6	5	-3
Statewide	-7.6	-3.0	0.6	0.2	4.0	3.1	3.7	-1.4

EXHIBIT 2
DATE 4/8/99
SB 184

AMENDMENTS

BILL#: SB 184
VERSION: 2nd Reading
PROPOSED BY DEPARTMENT OF REVENUE
DATE: 4/7/99

REASON: The first amendment changes the title of the bill to reflect the amendments proposed below. The second amendment increases the exemptions for residential properties provided in section 142 of the bill. The third amendment provides the department of revenue will not be required to send property owners new assessments each time the assessed value of a property changes incrementally due to the phasing in of appraisal values, graduated exemption or tax rate reduction provided in this bill. The fourth amendment clarifies the retroactive application of this bill concerns property tax appraisals and assessments as well as tax levies.

AMENDMENTS:

1. Title, line 27.
Following: "15-6-201,"
Insert: "15-7-102"

2. Page 83
Strike: "21%" in line 24
Insert: "23%"
Strike: "26%" in line 25
Insert: "27.5%"
Strike: "30%" in line 26
Insert: "31%"

3. Page 84
Following: line 25
Insert: **"Section 143.** Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners -- appeals. (1) (a) The department shall mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(i) change in ownership;
(ii) change in classification;
(iii) except as provided in subsection (1)(b), change in valuation; or
(iv) addition or subtraction of personal property affixed to the land.

(b) After the first year, the department is not required to mail the notice

provided for in subsection (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation ~~caused by the phasing in of a reappraisal~~ created by this title.

(c) The notice must include the following for the taxpayer's informational purposes:

(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

(d) Any misinformation provided in the information required by subsection (1)(c) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board pursuant to 15-15-101.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 30 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an appraisal or classification upon the taxpayer's objection unless:

(a) the taxpayer has submitted an objection in writing; and

(b) the department has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

Renumber: subsequent sections

4. Page 163, line 2.
Strike: "property tax levies established for"

EXHIBIT 3
DATE 4/8/99
SB 187

Legislative Fiscal Division
Tax Relief Measures
In Millions

A. 2001 Biennium Costs

Bill	Short Title	General Fund	GTB Costs	State Special	Loc. Gov. & Schools	Totals
HB128	Telecommunications Tax	4.220	0.535	0.449	15.029	20.233
HB174	Utility Tax	4.225	0.373	0.267	4.186	9.051
HB658	Oil & Gas Tax	0.207	0.000	0.024	0.539	0.770
HB661	Oil & Gas Tax	1.591	0.000	0.019	0.427	2.037
SB184	Homeowner Tax	14.754	3.336	1.483	52.814	72.387
SB200	Business Property Tax	4.544	0.202	0.436	12.725	17.907
SB260	Vehicle Tax	16.801	0.000	2.152	23.181	42.134
SB530	Oil & Gas Tax	0.396	0.000	0.536	2.916	3.848
	Totals	*$46.738*	*$4.446*	*$5.366*	*$111.817*	*$168.367*

B. General Fund Status 3/26/99

HB128	Telecommunications Tax	4.220	0.000	0.000	0.000	4.220
HB174	Utility Tax	0.000	0.000	0.000	0.000	0.000
HB658	Oil & Gas Tax	0.239	0.000	0.000	0.000	0.239
HB661	Oil & Gas Tax	1.770	0.000	0.000	0.000	1.770
SB184	Homeowner Tax	0.000	0.000	0.000	0.000	0.000
SB200	Business Property Tax	7.824	0.000	0.000	20.415	28.239
SB260	Vehicle Tax	16.760	0.000	2.144	0.000	18.904
SB530	Oil & Gas Tax	0.548	0.000	0.000	0.000	0.548
	Totals	*$31.361*	*$0.000*	*$2.144*	*$20.415*	*$53.920*

C. Currently Unfunded (B - A)

HB128	Telecommunications Tax	0.000	(0.535)	(0.449)	(15.029)	(16.013)
HB174	Utility Tax	(4.225)	(0.373)	(0.267)	(4.186)	(9.051)
HB658	Oil & Gas Tax	0.032	0.000	(0.024)	(0.539)	(0.531)
HB661	Oil & Gas Tax	0.179	0.000	(0.019)	(0.427)	(0.267)
SB184	Homeowner Tax	(14.754)	(3.336)	(1.483)	(52.814)	(72.387)
SB200	Business Property Tax	3.280	(0.202)	(0.436)	7.690	10.332
SB260	Vehicle Tax	(0.041)	0.000	(0.008)	(23.181)	(23.230)
SB530	Oil & Gas Tax	0.152	0.000	(0.536)	(2.916)	(3.300)
	Totals	*($15.377)*	*($4.446)*	*($3.222)*	*($91.402)*	*($114.447)*

D. Replacement Tax Revenue

HB128	Telecommunications Tax	6.103	0.535	0.680	22.310	29.628
HB174	Utility Tax	0.873	0.373	0.055	4.451	5.752
SB260	Vehicle Tax (Requires Vote)	0.000	0.000	0.000	11.109	11.109
	Totals	*$6.976*	*$0.908*	*$0.735*	*$37.870*	*$46.489*

E. Other Bills Not Addressed Above But In General Fund Status

HB108	Homeowner Tax	6.493	0.000	0.000	0.000	6.493
HB253	Inheritance Tax	10.615	0.000	0.000	0.000	10.615
HB386	Homeowner Tax	24.880	0.000	0.000	0.000	24.880
	Totals	*$41.988*	*$0.000*	*$0.000*	*$0.000*	*$41.988*

State of Montana

Marc Racicot, Governor

EXHIBIT 4
DATE 4/8/99
SB 184

Gene Widmer, Region 12 Manager 256-2750
Tom Blek, Field Operations 256-2750
Sheri Grant, Office Operations 256-2750

Department of Revenue
Mary Bryson, Director

Property Assessment Division

CERTIFIED MILL LEVY FOR 1997

IN COMPLIANCE WITH §15-10-201 THROUGH §15-10-208, MCA

YELLOWSTONE COUNTY
TAXING JURISDICTION: COUNTY GENERAL

1.	Total Taxable Value (previous year)	**$223,491,675**
2.	Mill Levy (previous year)	**43.750**
3.	Tax Revenue (1 x 2) (previous year)	**$9,777,761**
4.	Total Taxable Value (current year)	**$224,074,858**
5.	Total Taxable Value of New Construction, Improvements and Deletions to Real Property (per §15-10-202, MCA)	**$3,251,160**
6.	Net Taxable Value (4 - 5) Times 95%	**$209,782,513**
7.	Certified Mill Levy (3 / 6)	**46.609**
8.	Tax Revenue (4 x 7)	**$10,443,905**

NOTE: The above referenced mill levy is subject to the provisions of I-105 (15-10-402 at sequence).

Sheri Grant

Signature of Appraisal/Assessment Staff

September 17, 1997

Original: County Commissioners Copy: File Copy: Clerk & Recorder PPB-27 (Rev. 4/97)

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on April 12, 1999 at 8:00 A.M., in Room 437 Capitol. Chairman Hibbard Reconvened the Committee at 3:40 p.m. to finish Executive Action

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: None.

Members Absent: Rep. Rick Dale (R) Rep. Dale was present for afternoon session as were all the other committee members.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch
Pam Schindler, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

EXHIBIT 4
DATE 4/8/99
SB 184

State of Montana

Marc Racicot, Governor

Department of Revenue
Mary Bryson, Director

Gene Widmer, Region 12 Manager 256-2750
Sheri Grant, Office Operations 256-2750
Property Assessment Division

CERTIFIED MILL LEVY FOR 1998

IN COMPLIANCE WITH §15-10-201 THROUGH §15-10-208, MCA

YELLOWSTONE COUNTY
TAXING JURISDICTION: **COUNTY GENERAL**

1.	Total Taxable Value (previous year)	**$224,074,858**
2.	Mill Levy (previous year)	**46.609**
3.	Tax Revenue (1 x 2) (previous year)	**$10,443,905**
4.	Total Taxable Value (current year)	**$226,014,695**
5.	Total Taxable Value of New Construction, Improvements and Deletions to Real Property (per §15-10-202, MCA)	**$2,662,172**
6.	Net Taxable Value (4 - 5) Times 95%	**$212,184,897**
7.	Certified Mill Levy (3 / 6)	**49.221**
8.	Tax Revenue (4 x 7)	**$11,124,669**

NOTE: The above referenced mill levy is subject to the provisions of I-105 (15-10-402 et sequence).

Committee Business Summary:
Hearing(s) & Date(s) Posted:
Executive Action: SB 529-Tabled, SB 530-Be Concurred in as Amended, SB 184-Be Concurred in as Amended, SB 370-Be Concurred in as Amended, SB 265-Be Concurred in as Amended

* Note: The exhibits in this section are misnumbered. The following ex# 5, 6, 7, 8, +11 plus the roll call votes apply and have been included in this history.

EXECUTIVE ACTION ON SB 184

Motion: REP. ORR moved that **SB 184 BE AMENDED.**
Motion/Vote: REP. ORR moved that **SB 184 BE AMENDED. Motion carried unanimously.**

EXHIBIT(tah79a0
5)
Motion: REP. GUGGENHEIM moved that **SB 184 BE AMENDED.**
Motion: REP. STORY moved that the **AMENDMENTS BE SEGREGATED.**
Motion/Vote: REP. GILLAN moved that **SB 184 BE AMENDED. Motion failed 10-10 with Dale, Davies, Hanson, Hibbard, Holden, Orr, Rehbein, Rose, Somerville, and Story voting no**
Motion/Vote: REP. GUGGENHEIM moved that **SB 184 BE AMENDED. Motion carried 12-8 with Dale, Davies, Hanson, Holden, Jackson, Orr, Rehbein, and Somerville voting no.**
Motion/Vote: REP. SOMERVILLE moved that **SB 184 BE AMENDED. Motion failed 6-14 with Davies, Hanson, Holden, Jackson, Somerville, and Story voting aye.**
Motion/Vote: REP. STORY moved that **SB 184 BE AMENDED. Motion failed 6-13 with Davies, Fuchs, Jackson, Rehbein, Somerville, and Story voting aye.**
(Rep. Schmidt abstained from voting)

EXHIBIT(tah79a0
6)

EXHIBIT(tah79a0
7)
Vote: Motion that **SB 184 BE CONCURRED IN AS AMENDED failed 10-10 with Beck, Fuchs, Gillan, Guggenheim, Harper, Holden, Orr, Raney, Rehbein, and Schmidt voting no**
{Tape : 3; Side : A; Approx. Time Counter : 56 - 550}
{Tape : 3; Side : B; Approx. Time Counter : 0 - 550}
{Tape : 4; Side : A; Approx. Time Counter : 0 - 550}
{Tape : 4; Side : B; Approx. Time Counter : 0 - 456}

Meeting adjourned until 3:00 p.m. same afternoon.
Meeting reconvened @ 3:40 p.m. same afternoon.

EXECUTIVE ACTION ON SB 184

Motion/Vote: REP. HARPER moved SB 184-RECONSIDER AND CONCUR AS AMENDED. Motion carried unanimously.
SB 184 was put back on table to reconsider morning's action.
Motion/Vote: REP. HARPER moved that SB 184 BE AMENDED. Motion carried 11-9 with Beck, Erickson, Gillan, Guggenheim, Harper, Harrington, Hibbard, Raney, and Schmidt voting no.
Motion/Vote: REP. GUGGENHEIM moved that SB 184 BE AMENDED. Motion failed 9-11 with Beck, Erickson, Fuchs, Gillan, Guggenheim, Harper, Harrington, Raney, and Schmidt voting aye.
Motion/Vote: REP. STORY moved that SB 184 BE AMENDED. Motion carried 12-8 with Beck, Erickson, Fuchs, Gillan, Guggenheim, Harrington, Raney, and Schmidt voting no.

EXHIBIT(tah79a10)

Motion/Vote: REP. GILLAN moved that SB 184 BE AMENDED. Motion failed 8-12 with Beck, Erickson, Gillan, Guggenheim, Harper, Harrington, Raney, and Schmidt voting aye.

EXHIBIT(tah79a11)

Vote: Motion that SB 184 BE CONCURRED IN AS AMENDED carried 11-9 with Beck, Erickson, Gillan, Guggenheim, Harper, Harrington, Orr, Raney, and Schmidt voting no.
{Tape : 5; Side : A; Approx. Time Counter : 331 - 550}
{Tape : 5; Side : B; Approx. Time Counter : 0 - 550}
{Tape : 6; Side : A; Approx. Time Counter : 0 - 336}

Meeting adjourned.

2/4 Phased In

Estimated Percent Change in Property Tax Liability

23% for Residential, 9.0% for Commercial, and Class 4 rate at 3.627%, Timber at 0.57%

County	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beaverhead	-7	-9	9	3	2	2	2	-1
Big Horn	-10	-13	-8	3	2	3	3	-1
Blaine	-19	-24	-9	4	4	4	4	-1
Broadwater	-5	-19	-6	2	2	2	3	-0
Carbon	-4	4	6	2	1	1	1	0
Carter	-23	-31	-1	5	2	1	1	-0
Cascade	-11	2	3	2	7	6	7	-3
Chouteau	-10	-14	-8	-4	4	3	4	-2
Custer	-8	-9	-7	8	6	6	5	-2
Daniels	-17	-36	-3	2	6	7	6	-2
Dawson	-10	-30	-9	3	4	5	4	-1
Deer Lodge	-1	9	-12	6	2	2	7	-1
Fallon	-20	-25	-5	3	2	2	3	-2
Fergus	-5	-6	-5	-0	3	3	5	-1
Flathead	-6	-9	-3	4	6	6	8	-3
Gallatin	-5	-7	11	1	2	2	4	-1
Garfield	-23	-30	-10	5	3	0	3	-1
Glacier	-11	-14	-8	-2	4	3	3	-1
Golden Valley	-10	-18	-8	2	1	1	2	-0
Granite	-8	24	8	2	0	0	4	1
Hill	-11	-5	-4	-0	5	5	5	-2
Jefferson	-7	-8	-1	6	2	3	2	-1
Judith Basin	-12	-19	-9	-1	2	2	2	-1
Lake	-7	9	2	3	3	3	6	-1
Lewis & Clark	-7	-3	6	6	3	3	4	-1
Liberty	-13	-24	-9	-0	4	4	4	-2
Lincoln	-8	1	3	6	3	3	5	-1
Madison	-10	16	3	3	1	1	2	-0
McCone	-22	-37	-7	3	6	5	6	-2
Meagher	-9	-15	-0	5	2	1	7	-0
Mineral	-11	-3	9	3	2	2	5	-0
Missoula	-4	-2	1	5	3	3	6	-1
Musselshell	-9	-28	-13	4	4	4	10	-2
Park	0	7	-3	1	0	0	2	1
Petroleum	-6	-14	-17	3	1	0	1	0
Phillips	-19	-22	-7	2	4	3	4	-1
Pondera	-7	-19	-7	-3	4	4	4	-1
Powder River	-23	-24	-5	7	4	4	5	-1
Powell	-14	-8	6	5	3	3	7	-1
Prairie	-21	-30	-9	3	3	4	3	-1
Ravalli	-4	-9	2	5	4	4	6	-2
Richland	-14	-30	-1	3	4	5	4	-2
Roosevelt	-18	-23	-7	-1	3	3	3	-1
Rosebud	-14	-40	-15	4	1	0	1	-0
Sanders	-5	-4	4	3	1	1	3	0
Sheridan	-16	-30	-6	1	5	8	5	-2
Silver Bow	-9	0	0	6	4	4	4	-2
Stillwater	-8	-11	-5	0	2	2	3	-1
Sweet Grass	2	19	-8	3	-1	-1	1	1
Teton	-5	-3	-9	-1	3	3	4	-1
Toole	-11	3	-7	-2	4	4	4	-1
Treasure	-12	-27	-18	3	1	1	2	-0
Valley	-13	2	-7	0	3	3	3	-1
Wheatland	-8	-20	-11	2	1	1	2	-0
Wibaux	-21	-27	-9	3	4	4	4	-1
Yellowstone	-8	-14	-0	4	5	5	5	-2
Statewide	-7.4	-4.7	0.7	1.4	3.7	2.8	4.1	-1.4

EXHIBIT 5
DATE 4/14/99
SB 184

Amendments to Senate Bill No. 184
3rd Reading Copy

For the House Taxation Committee

Prepared by Jeff Martin
April 12, 1999 (6:52AM)

1. Title, page 1, line 6.
Strike: "ALL"

2. Title, page 1, line 10.
Following: "PROPERTY;"
Insert: "ALLOWING AN EXTENSION OF 1999 STATUTORY DEADLINES RELATING TO PROPERTY TAXES;"

3. Title, page 1, line 11.
Strike: "2-9-316"

4. Title, page 1, line 12.
Strike: "7-2-2246," through "7-2-2749,"

5. Title, page 1, line 13.
Strike: "7-3-4442, 7-6-1506,"
Strike: "7-6-2345, 7-6-2348"

6. Title, page 1, line 14.
Strike: "7-6-4209,"

7. Title, page 1, line 15.
Strike: "7-6-4272," through "7-6-4405,"

8. Title, page 1, line 16 through line 20.
Strike: "7-12-1132," on line 16 through "7-13-4406," on line 20

9. Title, page 1, line 21.
Strike: "7-14-2731,"

10. Title, page 1, line 22.
Strike: "7-14-4106," through "7-14-4644"

11. Title, page 1, line 23.
Strike: "7-15-4283," through "7-15-4292"

12. Title, page 1, line 25.
Strike: "7-22-4101,"

13. Title, page 1, line 27.
Strike: "10-3-405,"
Strike: "15-2-302"
Insert: "15-2-301"
Following: "15-6-201,"
Insert: "15-7-102,"

14. Title, page 1, line 29 through line 30.
Strike: "19-3-204," on line 29 through "19-19-301,"

15. Title, page 2, line 6.
Strike: "76-15-505,"

16. Title, page 2, line 10.
Strike: "90-6-310,"

17. Title, page 2, line 11.
Following: "7-6-2514,"
Insert: ", 7-6-4405,"

18. Page 2, line 20.
Following: "TO"
Insert: ": (a)"
Following: "VALUE OF"
Insert: "new"
Following: "UNIT"
Insert: "; (b) the increased value of property as a result of subdivision; and
(c) the increased value of property as a result of reclassification"

19. Page 3, line 10.
Following: line 9
Insert: "(4) For purposes of subsection (1), taxes imposed do not include net or gross proceeds taxes received under 15-6-

131 and 15-6-132.

(5) In calculating a levy under subsection (1), a governmental entity may not include as property taxes imposed any amount that the state reimburses the governmental entity for reductions of property tax or any amount that the governmental entity withholds as reimbursement for reductions of property tax.

(6) Except as provided in subsection (7), a governmental entity may impose a mill levy that is greater than the levy established by law to generate the amount of property taxes actually imposed in the prior year.

(7) The department shall calculate the number of mills to be imposed for purposes of [section 1 of Senate Bill No. 79], 20-9-331, 20-9-333, 20-9-360, and 20-25-423. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections.

(8) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

20. Page 3, line 20 through page 4, line 3.
Strike: section 3 in its entirety
Renumber: subsequent sections

21. Page 6, line 2 through page 9, line 12.
Strike: section 8 through section 12 in their entirety
Renumber: subsequent sections

22. Page 11, line 18 through page 12, line 26.
Strike: section 18 through section 19 in their entirety
Renumber: subsequent sections

23. Page 14, line 5 through page 15, line 6.
Strike: section 22 through section 23 in their entirety
Renumber: subsequent sections

24. Page 17, line 12 through line 23.
Strike: section 30 in its entirety
Renumber: subsequent sections

25. Page 19, line 17 through page 20, line 20.
Strike: section 34 through section 36 in their entirety
Renumber: subsequent sections

26. Page 21, line 27 through line 29.
Strike: subsection (2) in its entirety
Renumber: subsequent subsection

27. Page 22, line 28 through page 23, line 11.
Strike: section 43 in its entirety
Renumber: subsequent sections

28. Page 24, line 5 through page 46, line 17.
Strike: section 46 through section 81 in their entirety
Renumber: subsequent sections

29. Page 51, line 15 through line 20.
Strike: section 91 in its entirety
Renumber: subsequent sections

30. Page 52, line 10 through page 54, line 3.
Strike: section 94 through section 96 in their entirety
Renumber: subsequent sections

31. Page 56, line 15 through page 58, line 18.
Strike: section 101 through section 103 in their entirety
Renumber: subsequent sections

32. Page 69, line 18 through page 70, line 1.
Strike: section 125 in its entirety
Renumber: subsequent sections

33. Page 74, line 9 through line 25.
Strike: section 136 in its entirety

34. Page 77, line 23 through page 78, line 30.
Strike: section 139 in its entirety
Insert: "**Section 78.** Section 15-2-301, MCA, is amended to read:

"**15-2-301. Appeal of county tax appeal board decisions.** (1) The county tax appeal board shall mail a copy of its decision to the taxpayer and to the property assessment division of the department of revenue. If the appearance provisions of 15-15-103 have been complied with, a person or the department on behalf of the state or any municipal corporation aggrieved by the action of

the county tax appeal board may appeal to the state board by filing with the state tax appeal board a notice of appeal within 30 calendar days after the receipt of the decision of the county board. The notice must specify the action complained of and the reasons assigned for the complaint. Notice of acceptance of an appeal must be given to the county tax appeal board by the state tax appeal board. The state board shall set the appeal for hearing either in its office in the capital or the county seat as the board considers advisable to facilitate the performance of its duties or to accommodate parties in interest. The board shall give to the appellant and to the respondent at least 15 calendar days' notice of the time and place of the hearing.

(2) At the time of giving notice of acceptance of an appeal, the state board may require the county board to certify to it the minutes of the proceedings resulting in the action and all testimony taken in connection with its proceedings. The state board may, in its discretion, determine the appeal on the record if all parties receive a copy of the transcript and are permitted to submit additional sworn statements, or the state board may hear further testimony. For the purpose of expediting its work, the state board may refer any appeal to one of its members or to a designated hearings officer. The board member or hearings officer may exercise all the powers of the board in conducting a hearing and shall, as soon as possible after the hearing, report the proceedings, together with a transcript or a tape recording of the hearing, to the board. The state board shall determine the appeal on the record.

(3) On all hearings at county seats throughout the state, the state board or the member or hearings officer designated to conduct a hearing may employ a competent person to electronically record the testimony received. The cost of electronically recording testimony may be paid out of the general appropriation for the board.

(4) In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence or rules of discovery and may affirm, reverse, or modify any decision. To the extent that this section is in conflict with the Montana Administrative Procedure Act, this section supersedes that act. The state tax appeal board may not amend or repeal any administrative rule of the department. The state tax appeal board shall give an administrative rule full effect unless the board finds a rule arbitrary, capricious, or otherwise unlawful.

(5) The decision of the state tax appeal board is final and binding upon all interested parties unless reversed or modified by judicial review. Proceedings for judicial review of a decision of the state tax appeal board under this section are subject to the provisions of 15-2-303 and the Montana Administrative Procedure Act to the extent that it does not conflict with 15-2-303.

(6) Sections 15-6-134 and 15-7-111 may not be construed to prevent the department from implementing an order to change the

valuation of property."
{*Internal References to 15-2-301: 15-15-104*}"
Renumber: subsequent sections

35. Page 79, line 21.
Following: "(e)"
Insert: "subject to 15-6-201(1)(z)"

36. Page 79, line 25.
Strike: "and"

37. Page 79.
Following: "27"
Insert: "(iv) vacant residential lots; and"

38. Page 79, line 28.
Following: "(g)"
Insert: "(i)"
Following: "situated"
Insert: "; and
(ii) vacant commercial lots"

39. Page 83, line 22.
Following: "15-6-134"
Insert: "(1)(e) and"

40. Page 83, line 24.
Strike: "21%"
Insert: "23%"

41. Page 83, line 25.
Strike: "26%"
Insert: "27.5%"

42. Page 83, line 26.
Strike: "30%"
Insert: "31%"

43. Page 84.
Following: line 25

Insert: "Section 82. Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners -- appeals. (1) (a) The department shall mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(i) change in ownership;

(ii) change in classification;

(iii) except as provided in subsection (1)(b), change in valuation; or

(iv) addition or subtraction of personal property affixed to the land.

(b) After the first year, the department is not required to mail the notice provided for in subsection (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the phasing in of a reappraisal under 15-7-111, or the application of the exemption under 15-6-201.

(c) The notice must include the following for the taxpayer's informational purposes:

(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

(d) Any misinformation provided in the information required by subsection (1)(c) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board pursuant to 15-15-101.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request

an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 30 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an appraisal or classification upon the taxpayer's objection unless:

(a) the taxpayer has submitted an objection in writing; and

(b) the department has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

{Internal References to 15-7-102:
15-7-103 15-7-208 15-15-101 15-15-102*
15-15-103}"

Renumber: subsequent sections

44. Page 95, line 7 through page 97, line 6.
Strike: section 158 through 163 in their entirety
Renumber: subsequent sections

45. Page 139, line 15 through line 27.
Strike: section 214 in its entirety
Renumber: subsequent sections

46. Page 159, line 28 through page 161, line 24.
Strike: section 233 in its entirety
Renumber: subsequent sections

47. Page 162.
Following: line 12
Insert: "NEW SECTION. **Section 169. Extension of 1999 deadlines relating to property taxation.** As a result of the change in the phasein of reappraisal for class three, four, and ten property enacted by the 56th legislature, it may not be possible to comply with certain statutory deadlines relating to appraisals, assessments, reimbursements, budgets, and collection of property taxes. The state appraisal and assessment process may be delayed, which in turn may cause delays for the tax appeal boards and local government taxing jurisdiction budgeting and collection processes. Therefore, for tax year 1999, all deadlines are extended as necessary and reasonable, except the time limits allowed for filing an appeal remain the same as provided by law in order to allow for the orderly and efficient assessment and collection of taxes."
Renumber: subsequent sections

48. Page 162, line 23.
Following: "7-6-2514"
Insert: ", 7-6-4405,"

- END -

EXHIBIT 6
DATE 4/12/99
SB 184

RESIDENTIAL PROPERTY TAXES

SB 184 vs. HB 108

RESIDENTIAL PROPERTY (CLASS 4)	SB184	HB108
- OWNER-OCCUPIED HOMES	YES	YES
- RENTAL RESIDENTIAL PROPERTY	YES	YES
-MOBILE HOMES (TRAILORS)	YES	YES
-NON-RESIDENTIAL CLASS 4 (LAND WITHOUT RESIDENCES, i.e. VACANT LOTS, n = ~ 51,000)	YES	NO

SB 184: Phases full reappraisal in over 4 years;

Year 1 - Exempts 16% of property value; tax rate = 3.7105%
Year 2 - " 23% tax rate = 3.6270
Year 3 " 27.5% tax rate = 3.5435
Year 4 " 31% tax rate = 3.460

HB 108: Full reappraisal in effect year 1

Exemption: 35% *of the first $200,000* of property value (which includes 95% of all residential properties)
Tax rate: 3.5%

WHAT OVERALL EFFECT DOES EACH BILL HAVE?

TYPE OF PROPERTY	SB 184	HB 108
CLASS 3 - AGRICULTURE	Increase 0.18%	Decrease 0.9%
COMMERCIAL CLASS 4	Increase 0.53%	Increase 2.9%*
CLASS 4 - "VACANT LOTS"	Decrease 2.7%	Increase 32%
(CLASS 4 RESIDENTIAL)	Decrease 7.6%	Decrease 12.5%

*Commercial properties will increase, but overall tax relief of commercial class 8 with SB 200 out-weighs ~8x the increase in commercial class 4

Raw data that supports summary pages (1 + 2)

SB 184

exempts all residential property (≡ to HB108)

also exempts empty land without dwelling ie. vacant lots (~51,020 properties of this type)

SB 184 Phase - In Residential Property Values Over Four Years
Year 1 = 16% Homestead, 3.7105% Tax Rate

Bracket	Number of Properties	Average Tax in the Bracket - Current Law Tax	Proposed Law First Yr	$ Chg	% Chg
		$	$	$	
Less than $10,000 (Accum %)	32,312	68	60	-8	-11.8%
$10,000 to $25,000	30,297	206	184	-22	-10.5%
$25,001 to $50,000	53,224	427	389	-38	-8.8%
$50,001 to $75,000 (54%)	57,828	699	641	-58	-8.2%
$80,001 to $100,000 (72%)	57,436	969	889	-80	-8.2%
$100,001 to $125,000	36,069	1,225	1,130	-95	-7.8%
$125,001 to $150,000	20,870	1,489	1,376	-113	-7.6%
$150,001 to $200,000 (86%)	18,830	1,873	1,728	-144	-7.7%
$200,001 to $250,000	6,777	2,406	2,227	-179	-7.4%
$250,001 to $300,000	2,999	2,943	2,727	-216	-7.4%
$300,001 to $400,000	2,251	3,677	3,409	-268	-7.3%
$400,001 to $500,000	733	4,718	4,392	-326	-6.9%
$500,001 to $600,000	314	5,742	5,370	-372	-6.5%
$600,001 to $700,000	156	6,918	6,430	-489	-7.1%
$700,001 to $800,000	105	7,833	7,338	-495	-6.3%
$800,001 to $900,000	59	8,821	8,296	-525	-5.9%
$900,001 to $1,000,00	33	10,176	9,446	-731	-7.2%
$1,000,000 plus	115	15,610	14,515	-1,095	-7.0%

Total ~320,110

SB 184 Phase - In Residential Property Values Over Four Years
Year 4 = 30% Homestead, 3.46% Tax Rate

Average Tax in the Bracket - Current Law Tax	Proposed Law Four Yr	$ Chg	% Chg
$	$	$	
68	54	-14	-20.1%
206	173	-33	-16.0%
427	381	-46	-10.8%
699	636	-63	-9.0%
969	882	-88	-9.0%
1,225	1,132	-93	-7.6%
1,489	1,384	-105	-7.1%
1,873	1,733	-139	-7.4%
2,406	2,247	-159	-6.6%
2,943	2,757	-186	-6.3%
3,677	3,453	-224	-6.1%
4,718	4,486	-232	-4.9%
5,742	5,536	-206	-3.6%
6,918	6,544	-374	-5.4%
7,833	7,590	-243	-3.1%
8,821	8,649	-172	-2.0%
10,176	9,589	-588	-5.8%
15,610	14,790	-820	-5.3%

182

CLASS 4 RESIDENTIAL PROPERTY
AVERAGE DECREASE PER PROPERTY TAX BILL

$ Value of Property	SB 184		HB 108
	YEAR 1 (25%)	YEAR 4 (Full)	
< 10,000	$8	$14	$28
10,000 - 25,000	22	33	72
25,000 - 50,000	38	46	106
50,000 - 75,000	58	63	152
75,000 - 80,000	?	?	188
85,000 - 100,000	80	88	210
100,000 - 125,000	95	93	246
125,000 - 150,000	113	105	290
150,000 - 200,000	144	139	125
95% of properties			
200,000 - 300,000	197	172	Increase of ~315
300,000 - 500,000	297	228	" " ~1200
> 500,000	372 - 1095	206 - 820	" " 2000 or more

Total of tax relief to homeowners $18.9 M $33.9 M

EXHIBIT 7
DATE 4/12/99
SB 184

AMENDMENTS
FOR
SENATE BILL 184
2ND READING COPY

1. Page 84, line 1.
Strike: "and"

2. Page 84, line 2.
Following: "years"
Insert: "; and
(bb) the percentage of valuation of land calculated pursuant to 15-7-111(4)"

3. Page 86, line 12.
Following: line 11
Insert: "(4)(a) If the land value of an individual property is equal to or less than 75% of the appraised value of the improvements situated on the land, then the assessed value of the land is its appraised value as phased-in under 15-7-111(1) and the other provisions of the subsection do not apply.

(b) If the land value of an individual property is greater than 75% of the appraised value of the improvements situated on the land, then the value of the land shall be determined as follows:

(i) The department shall calculate the average value of improvements in the state.

(ii) If the value of improvements on an individual property is greater than the state average value of improvements, then the land is valued at 75% of the appraised value of the improvements situated on the land and the remainder of the land value is exempt from taxation.

(iii) If the value of improvements on an individual property is less than or equal to the state average value of improvements, then the land is valued at 75% of the state average value of improvements and the remainder of the land value is exempt from taxation.

(iv) The values determined under this subsection are subject to the phase-in provisions of 15-7-111(1).

(c) Notwithstanding subsection (b) the value of land, upon which improvements are situated, shall not exceed its phased-in value.

(5) For purposes of subsection (4) the following definitions apply:

(a) "average value of improvements" is the state-wide arithmetic mean of the appraised value of all improvements that have a market value in excess of $7,500.

(b) "improvements" are residential dwellings and includes house trailers, mobile homes and manufactured homes.

(c) "land" includes contiguous parcels or lots under single ownership up to 5 acres.

(P8 4

Raw data that supports summary pages (1+2)

HB 108

Impact of
35% of the first $200,000
Rate at 3.500%

Current Law (SB195) Bracket	Mid Point	Full Reappraised Value	Number of Residences	Cumluative Percent	Current Law Tax Bill	New Law Tax Bill	$ Difference	% of Change
Less than $10,000	$5,000	$5,287	1,800	0.7%	$79	$50	-$28	-36%
$10,000 to $25,000	$17,500	$21,350	19,807	8.0%	$275	$203	-$72	-26%
$25,001 to $50,000	$37,500	$50,910	45,404	24.9%	$589	$483	-$106	-18%
$50,001 to $75,000	$62,500	$87,485	55,816	45.6%	$982	$830	-$152	-15%
$75,001 to $80,000	$77,500	$108,523	12,553	50.3%	$1,217	$1,030	-$188	-15%
$80,001 to $100,000	$90,000	$126,266	44,684	66.9%	$1,414	$1,198	-$216	-15%
$100,001 to $125,000	$112,500	$160,299	36,023	80.3%	$1,767	$1,521	-$246	-14%
$125,001 to $150,000	$137,500	$197,088	20,852	88.0%	$2,160	$1,870	-$290	-13%
$150,001 to $200,000	$175,000	$249,792	18,808	95.0%	$2,749	$2,624	-$125	-5%
$200,001 to $250,000	$225,000	$323,971	6,769	97.5%	$3,534	$3,707	$173	5%
$250,001 to $300,000	$275,000	$397,279	2,993	98.6%	$4,319	$4,777	$457	11%
$300,001 to $400,000	$350,000	$506,308	2,246	99.4%	$5,498	$6,368	$870	16%
$400,001 to $500,000	$450,000	$659,144	733	99.7%	$7,068	$8,599	$1,530	22%
$500,001 to $600,000	$550,000	$817,666	312	99.8%	$8,639	$10,912	$2,273	26%
$600,001 to $700,000	$650,000	$939,947	155	99.9%	$10,210	$12,697	$2,487	24%
$700,001 to $800,000	$750,000	$1,120,230	105	99.9%	$11,780	$15,328	$3,548	30%
$800,001 to $900,000	$850,000	$1,286,250	59	99.9%	$13,351	$17,751	$4,400	33%
$900,001 to $1,000,000	$950,000	$1,380,618	33	100.0%	$14,922	$19,128	$4,207	28%
$1,000,001 to $2,000,000	$1,500,000	$2,206,198	105	100.0%	$23,561	$31,178	$7,617	32%
$2,000,001 to $3,000,000	$2,500,000	$3,567,564	7	100.0%	$39,268	$51,047	$11,779	30%
$3,000,001 to $4,000,000	$3,500,000	$5,956,825	2	100.0%	$54,975	$85,918	$30,943	56%
$4,000,001 to $5,000,000	$4,500,000	$4,500,000	0	100.0%	$0.00			0%
$5,000,001 to $6,000,000	$5,500,000	$6,479,489	1	100.0%	$86,389	$93,546	$7,157	8%

Total = 269,090

EXHIBIT 9
DATE 4/12/99
SB 184

Director's Office
Sam W. Mitchell Building

Montana Department of
REVENUE

P. O. Box 5805
Helena, Montana 59604-5805

DATE: April 1, 1999

TO: Speaker Mercer

FROM: Mary Bryson, Director

RE: Information Request Impact of Capping Land Values

This is in response to your request for information regarding capping a property's value of land at 75% of improvement value. The table below illustrates the impact of capping land value as part of SB 184. It shows the tax loss for type of taxing jurisdiction during each phase of SB 184. This analysis places the cap after each increase in assessed value and after each homestead exemption is applied under SB184.

Table 1 shows the cost of capping the land value at 75% of the property's improvement value is $ 1.8 million the first year, $2.1 million the second year, $2.4 million the third year and $3.3 million the fourth year. The impact of the cap ranges from a 0.74% to a 1.35% reduction in class 4 residential taxes.

Table 1
Impact of Capping Land Values to 75% of Improvement Values
Under SB 184 Phase-In

	Tax Loss			
Tax Jurisdiction	Year 1	Year 2	Year 3	Year 4
General Fund	$ 478,549	$ 552,646	$ 622,604	$ 870,481
County	$ 595,808	$ 688,061	$ 775,160	$ 1,083,775
Schools	$ 614,516	$ 709,667	$ 799,500	$ 1,117,806
City / Town	$ 137,697	$ 159,018	$ 179,147	$ 250,471
Tax Decrease	$ 1,826,570	$ 2,109,392	$ 2,376,411	$ 3,322,534
Tax Decrease	$ 1,826,570	$ 2,109,392	$ 2,376,411	$ 3,322,534
Divided by Cls 4 Res Taxes	$ 248,145,099	$ 249,370,815	$ 247,061,207	$ 246,708,639
Decrease as % of Cls 4 Res	0.74%	0.85%	0.96%	1.35%

The parameters for this analysis are as you requested:

1) The value of land will not exceed 75% of improvement value
2) If the property's improvement value is greater than the average improvement value for class 4 residential property, then the properties land value is capped at 75% of the property's actual improvement value
3) If the property's improvement value is less than or equal to the average improvement value for class 4 residential property, then the property's land value is capped at 75% of the average improvement value or 75% of the property's actual improvement value, which ever is less
4) If the property's land value is less than 75% of improvement value, then the land value is unchanged
5) The dataset includes mobile homes
6) The dataset includes only class 4 properties that have an improvement value greater than or equal to $7500
7) The average improvement value for all class 4 residential properties was calculated for each year to reflect the phase in value.

I hope this information provides you with the information you needed. If the department can be of further assistance or you have additional questions, please contact Judy Paynter at 444-2554.

EXHIBIT 11
DATE 4/12/99
SB 184

Amendments to Senate Bill No. 184
3rd Reading Copy

For the House Taxation Committee

Prepared by Jeff Martin
April 12, 1999 (6:52AM)

1. Title, page 1, line 6.
Strike: "ALL"

2. Title, page 1, line 10.
Following: "PROPERTY;"
Insert: "ALLOWING AN EXTENSION OF 1999 STATUTORY DEADLINES RELATING TO PROPERTY TAXES;"

3. Title, page 1, line 11.
Strike: "2-9-316"

4. Title, page 1, line 12.
Strike: "7-2-2246," through "7-2-2749,"

5. Title, page 1, line 13.
Strike: "7-3-4442, 7-6-1506,"
Strike: "7-6-2345, 7-6-2348"

6. Title, page 1, line 14.
Strike: "7-6-4209,"

7. Title, page 1, line 15.
Strike: "7-6-4272," through "7-6-4405,"

8. Title, page 1, line 16 through line 20.
Strike: "7-12-1132," on line 16 through "7-13-4406," on line 20

9. Title, page 1, line 21.
Strike: "7-14-2731,"

10. Title, page 1, line 22.
Strike: "7-14-4106," through "7-14-4644"

11

must

131 and 15-6-132.

(5) In calculating a levy under subsection (1), a governmental entity ~~may not~~ include as property taxes imposed any amount that the state reimburses the governmental entity for reductions of property tax or any amount that the governmental entity withholds as reimbursement for reductions of property tax.

(6) Except as provided in subsection (7), a governmental entity may impose a mill levy that is greater than the levy established by law to generate the amount of property taxes actually imposed in the prior year. 20-25-439 53-2-813

(7) The department shall calculate the number of mills to be imposed for purposes of ~~[section 1 of Senate Bill No. 79]~~, 20-9-331, 20-9-333, 20-9-360, and ~~20-25-423~~. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections.

Vo Tech + welfare

(8) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

20. Page 3, line 20 through page 4, line 3.
Strike: section 3 in its entirety
Renumber: subsequent sections

21. Page 6, line 2 through page 9, line 12.
Strike: section 8 through section 12 in their entirety
Renumber: subsequent sections

22. Page 11, line 18 through page 12, line 26.
Strike: section 18 through section 19 in their entirety
Renumber: subsequent sections

23. Page 14, line 5 through page 15, line 6.
Strike: section 22 through section 23 in their entirety
Renumber: subsequent sections

24. Page 17, line 12 through line 23.
Strike: section 30 in its entirety
Renumber: subsequent sections

25. Page 19, line 17 through page 20, line 20.
Strike: section 34 through section 36 in their entirety
Renumber: subsequent sections

Insert: "Section 82. Section 15-7-102, MCA, is amended to read:

"15-7-102. **Notice of classification and appraisal to owners -- appeals.** (1) (a) The department shall mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(i) change in ownership;

(ii) change in classification;

(iii) except as provided in subsection (1)(b), change in valuation; or

(iv) addition or subtraction of personal property affixed to the land.

(b) After the first year, the department is not required to mail the notice provided for in subsection (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the phasing in of a reappraisal under 15-7-111, (or) the application of the exemption under 15-6-201, or an incremental change in the tax rate.

(c) The notice must include the following for the taxpayer's informational purposes:

(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

(d) Any misinformation provided in the information required by subsection (1)(c) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board pursuant to 15-15-101.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Taxation** report that **Senate Bill 184** (third reading copy -- blue) be **concurred in as amended.**

Signed: Chase Hibbard
Representative Chase Hibbard, Chair

To be carried by Representative Bob Story

And, that such amendments read:

1. Title, page 1, line 6.
Strike: "ALL"

2. Title, page 1, line 10.
Following: "PROPERTY;"
Insert: "ALLOWING AN EXTENSION OF 1999 STATUTORY DEADLINES RELATING TO PROPERTY TAXES;"

3. Title, page 1, line 11.
Strike: "2-9-316,"

4. Title, page 1, line 12.
Strike: "7-2-2246," through "7-2-2749,"

---

5. Title, page 1, line 13.
Strike: "7-3-4442, 7-6-1506,"
Strike: "7-6-2345, 7-6-2348,"

6. Title, page 1, line 14.
Strike: "7-6-4209,"

7. Title, page 1, line 15.
Strike: "7-6-4272," through "7-6-4405,"

8. Title, page 1, line 16.
Strike: "7-7-2202,"

Committee Vote:
Yes 11, No 9.

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Insert: "(4) For purposes of subsection (1), taxes imposed do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(5) In calculating a levy under subsection (1), a governmental entity shall include as property taxes imposed any amount that the state reimburses the governmental entity for reductions of property tax or any amount that the governmental entity withholds as reimbursement for reductions of property tax.

(6) Except as provided in subsection (7), a governmental entity may impose a mill levy that is greater than the levy established by law to generate the amount of property taxes actually imposed in the prior year.

(7) The department shall calculate the number of mills to be imposed for purposes of [section 1 of Senate Bill No. 79], 20-9-331, 20-9-333, 20-9-360, 20-25-423, 20-25-439, and 53-2-813. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections.

(8) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

21. Page 3, line 20 through page 4, line 3.
Strike: section 3 in its entirety
Renumber: subsequent sections

22. Page 6, line 2 through page 9, line 12.
Strike: section 8 through section 12 in their entirety
Renumber: subsequent sections

23. Page 11, line 18 through page 12, line 26.
Strike: section 18 through section 19 in their entirety
Renumber: subsequent sections

24. Page 14, line 5 through page 15, line 6.
Strike: section 22 through section 23 in their entirety
Renumber: subsequent sections

25. Page 17, line 12 through line 23.
Strike: section 30 in its entirety
Renumber: subsequent sections

26. Page 19, line 17 through page 20, line 20.
Strike: section 34 through section 36 in their entirety
Renumber: subsequent sections

27. Page 21, line 27 through line 29.
Strike: subsection (2) in its entirety
Renumber: subsequent subsection

9. Title, page 1, line 16 through line 20.
Strike: "7-12-1132," on line 16 through "7-13-4406," on line 20

10. Title, page 1, line 21.
Strike: "7-14-2731,"

11. Title, page 1, line 22.
Strike: "7-14-4106," through "7-14-4644,"

12. Title, page 1, line 23.
Strike: "7-15-4283," through "7-15-4292,"

13. Title, page 1, line 25.
Strike: "7-22-4101,"

14. Title, page 1, line 27.
Strike: "10-3-405,"
Strike: "15-2-302,"
Insert: "15-2-301,"
Following: "15-6-201,"
Insert: "15-7-102,"

15. Title, page 1, line 29 through line 30.
Strike: "19-3-204," on line 29 through "19-19-301," on line 30

16. Title, page 2, line 6.
Strike: "76-15-505,"

17. Title, page 2, line 10.
Strike: "90-6-310,"

18. Title, page 2, line 11.
Following: "7-6-2514"
Insert: ", 7-6-4405,"

19. Page 2, line 20.
Following: "TO"
Insert: ": (a)"
Following: "VALUE OF"
Insert: "new"
Following: "UNIT"
Insert: "; (b) the increased value of property as a result of subdivision; and
(c) the increased value of property as a result of reclassification"

20. Page 3, line 10.
Following: line 9

28. Page 22, line 28 through page 23, line 11.
Strike: section 43 in its entirety
Renumber: subsequent sections

29. Page 24, line 5 through page 46, line 17.
Strike: section 46 through section 81 in their entirety
Renumber: subsequent sections

30. Page 51, line 15 through line 20.
Strike: section 91 in its entirety
Renumber: subsequent sections

31. Page 52, line 10 through page 54, line 3.
Strike: section 94 through section 96 in their entirety
Renumber: subsequent sections

32. Page 56, line 15 through page 58, line 18.
Strike: section 101 through section 103 in their entirety
Renumber: subsequent sections

33. Page 69, line 18 through page 70, line 1.
Strike: section 125 in its entirety
Renumber: subsequent sections

34. Page 74, line 9 through line 25.
Strike: section 136 in its entirety

35. Page 77, line 23 through page 78, line 30.
Strike: section 139 in its entirety
Insert: "**Section 79.** Section 15-2-301, MCA, is amended to read:

"**15-2-301. Appeal of county tax appeal board decisions.** (1) The county tax appeal board shall mail a copy of its decision to the taxpayer and to the property assessment division of the department of revenue. If the appearance provisions of 15-15-103 have been complied with, a person or the department on behalf of the state or any municipal corporation aggrieved by the action of the county tax appeal board may appeal to the state board by filing with the state tax appeal board a notice of appeal within 30 calendar days after the receipt of the decision of the county board. The notice must specify the action complained of and the reasons assigned for the complaint. Notice of acceptance of an appeal must be given to the county tax appeal board by the state tax appeal board. The state board shall set the appeal for hearing either in its office in the capital or the county seat as the board considers advisable to facilitate the performance of its duties or to accommodate parties in interest. The board shall give to the appellant and to the respondent at least 15 calendar days' notice of the time and place of the hearing.

(2) At the time of giving notice of acceptance of an

appeal, the state board may require the county board to certify to it the minutes of the proceedings resulting in the action and all testimony taken in connection with its proceedings. The state board may, in its discretion, determine the appeal on the record if all parties receive a copy of the transcript and are permitted to submit additional sworn statements, or the state board may hear further testimony. For the purpose of expediting its work, the state board may refer any appeal to one of its members or to a designated hearings officer. The board member or hearings officer may exercise all the powers of the board in conducting a hearing and shall, as soon as possible after the hearing, report the proceedings, together with a transcript or a tape recording of the hearing, to the board. The state board shall determine the appeal on the record.

(3) On all hearings at county seats throughout the state, the state board or the member or hearings officer designated to conduct a hearing may employ a competent person to electronically record the testimony received. The cost of electronically recording testimony may be paid out of the general appropriation for the board.

(4) In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence or rules of discovery and may affirm, reverse, or modify any decision. To the extent that this section is in conflict with the Montana Administrative Procedure Act, this section supersedes that act. The state tax appeal board may not amend or repeal any administrative rule of the department. The state tax appeal board shall give an administrative rule full effect unless the board finds a rule arbitrary, capricious, or otherwise unlawful.

(5) The decision of the state tax appeal board is final and binding upon all interested parties unless reversed or modified by judicial review. Proceedings for judicial review of a decision of the state tax appeal board under this section are subject to the provisions of 15-2-303 and the Montana Administrative Procedure Act to the extent that it does not conflict with 15-2-303.

(6) Sections 15-6-134 and 15-7-111 may not be construed to prevent the department from implementing an order to change the valuation of property.""

Renumber: subsequent sections

36. Page 79, line 21.
Following: "(e)"
Insert: "subject to 15-6-201(1)(z),"

37. Page 79, line 25.
Strike: "and"

38. Page 79.
Following: line 27
Insert: "(iv) vacant residential lots; and"

39. Page 79, line 28.
Following: "(g)"
Insert: "(i)"
Following: "situated"
Insert: "; and
(ii) vacant commercial lots"

40. Page 83, line 22.
Following: "15-6-134"
Insert: "(1)(e) and"

41. Page 83, line 24.
Strike: "21%"
Insert: "23%"

42. Page 83, line 25.
Strike: "26%"
Insert: "27.5%"

43. Page 83, line 26.
Strike: "30%"
Insert: "31%"

44. Page 84.
Following: line 25
Insert: "**Section 83.** Section 15-7-102, MCA, is amended to read:
"**15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department shall mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:
(i) change in ownership;
(ii) change in classification;
(iii) except as provided in subsection (1)(b), change in valuation; or
(iv) addition or subtraction of personal property affixed to the land.
(b) After the first year, the department is not required to mail the notice provided for in subsection (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the phasing in of a reappraisal under 15-7-111 or the application of the exemption under 15-6-201 or caused by an incremental change in the tax rate.
(c) The notice must include the following for the taxpayer's informational purposes:
(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

(d) Any misinformation provided in the information required by subsection (1)(c) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board pursuant to 15-15-101.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 30 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an appraisal or classification upon the taxpayer's objection unless:

(a) the taxpayer has submitted an objection in writing; and

(b) the department has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order.""

Renumber: subsequent sections

45. Page 95, line 7 through page 97, line 6.
Strike: section 158 through 163 in their entirety
Renumber: subsequent sections

46. Page 139, line 15 through line 27.
Strike: section 214 in its entirety
Renumber: subsequent sections

47. Page 159, line 28 through page 161, line 24.
Strike: section 233 in its entirety
Renumber: subsequent sections

48. Page 162.
Following: line 12
Insert: "NEW SECTION. **Section 168. Extension of 1999 deadlines relating to property taxation.** As a result of the change in the phasein of reappraisal for class three, four, and ten property enacted by the 56th legislature, it may not be possible to comply with certain statutory deadlines relating to appraisals, assessments, reimbursements, budgets, and collection of property taxes. The state appraisal and assessment process may be delayed, which in turn may cause delays for the tax appeal boards and local government taxing jurisdiction budgeting and collection processes. Therefore, for tax year 1999, all deadlines are extended as necessary and reasonable, except that the time limits allowed for filing an appeal remain the same as provided

by law in order to allow for the orderly and efficient assessment and collection of taxes."
Renumber: subsequent sections

49. Page 162, line 23.
Following: "7-6-2514"
Insert: ", 7-6-4405,"

- END -

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB184 DATE OF MEETING 4/12/99

MOTION: Sub - Amendment - Gillan

NAME	YES	NO	ABSTAIN
Rep. Story		✓	
Rep. Orr		✓	
Rep. Schmidt	✓		
Rep. Holden		✓	
Rep. Rose		✓	
Rep. Guggenheim	✓		
Rep. Jackson	✓		
Rep. Harrington	✓		
Rep. Dale		✓	
Rep. Sommerville		✓	
Rep. Erickson	✓		
Rep. Rehbein		✓	
Rep. Beck	✓		
Rep. Davies		✓	
Rep. Fuchs	✓		
Rep. Harper	✓		
Rep. Hanson		✓	
Rep. Raney	✓		
Rep. Gillan	✓		
Rep. Hibbard		✓	

10 10

12

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Adopted Amendments - Passed

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose		1	
Rep. Guggenheim			
Rep. Jackson	10		
Rep. Harrington			
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck			
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep. Raney	—		
Rep. Gillan			
Rep. Hibbard			

17

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Donnerville Move 350 as Amended Failed

NAME	YES	NO	ABSTAIN
Rep. Story	✓		
Rep. Orr		✓	
Rep. Schmidt		✓	
Rep. Holden	✓		
Rep. Rose		✓	
Rep. Guggenheim		✓	
Rep. Jackson	✓		
Rep. Harrington	—	✓	
Rep. Dale		✓	
Rep. Sommerville	✓		
Rep. Erickson		✓	
Rep. Rehbein		✓	
Rep. Beck	—	✓	
Rep. Davies	✓		
Rep. Fuchs		✓	
Rep. Harper		✓	
Rep. Hanson	✓		
Rep. Raney	—	✓	
Rep. Gillan		✓	
Rep. Hibbard		✓	
	6	14	
	—		
	—		

B. 14

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB184 DATE OF MEETING 4/12/99

MOTION:

Guggenheim - $200,000 cap
Passed

NAME	YES	NO	ABSTAIN
Rep. Story	✓		
Rep. Orr		✓	
Rep. Schmidt	✓		
Rep. Holden		✓	
Rep. Rose	✓		
Rep. Guggenheim	✓		
Rep. Jackson		✓	
Rep. Harrington	✓		
Rep. Dale		✓	
Rep. Sommerville		✓	
Rep. Erickson	✓		
Rep. Rehbein		✓	
Rep. Beck	✓		
Rep. Davies		✓	
Rep. Fuchs	✓		
Rep. Harper	✓		
Rep. Hanson		✓	
Rep. Raney	✓		
Rep. Gillan	✓		
Rep. Hibbard	✓		

12 8

12, 13

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Story - Land Values Caps Amendment - Failed

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose			
Rep. Guggenheim			
Rep. Jackson			
Rep. Harrington			
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck			
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep: Raney			
Rep. Gillan			
Rep. Hibbard			

6 — 13 — 1

12, 15

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: DO Pass as amended

NAME	YES	NO	ABSTAIN
Rep. Story	✓		
Rep. Orr	✓	✓	
Rep. Schmidt		✓	
Rep. Holden		✓	
Rep. Rose	✓		
Rep. Guggenheim		✓	
Rep. Jackson	✓		
Rep. Harrington	✓		
Rep. Dale	✓		
Rep. Sommerville	✓		
Rep. Erickson	✓		
Rep. Rehbein		✓	
Rep. Beck	—	✓	
Rep. Davies	✓		
Rep. Fuchs		✓	
Rep. Harper		✓	
Rep. Hanson	✓		
Rep. Raney	—	✓	
Rep. Gillan		✓	
Rep. Hibbard	✓		

10/10 Aid

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. 184 DATE OF MEETING 4/12/99

MOTION: Motion to Reconsider

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose			
Rep. Guggenheim			
Rep. Jackson			
Rep. Harrington	—	20/5	
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck	—		
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep. Raney			
Rep. Gillan			
Rep. Hibbard			

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Amendment: remove $200,000 cap

NAME	YES	NO	ABSTAIN
Rep. Story	✓		
Rep. Orr	✓		
Rep. Schmidt		✓	
Rep. Holden	✓		
Rep. Rose	✓		
Rep. Guggenheim ✓		✓	
Rep. Jackson	✓		
Rep. Harrington /	—	✓	
Rep. Dale	✓		
Rep. Sommerville	✓		
Rep. Erickson ✓		✓	
Rep. Rehbein	✓		
Rep. Beck /	—	✓	
Rep. Davies	✓		
Rep. Fuchs	✓		
Rep. Harper /		✓	
Rep. Hanson	✓		
Rep. Raney	—	✓	
Rep. Gillan /		✓	
Rep. Hibbard ✓		✓	

11

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12

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Changes to Amendment (DOR amendment already done in H.M. hearing also exists in Sect paragraph)

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose			
Rep. Guggenheim			
Rep. Jackson			
Rep. Harrington			
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck	—		
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep. Raney	—		
Rep. Gillan			
Rep. Hibbard			

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HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 184 DATE OF MEETING 4/12/99

MOTION: Guggenheim Amendment - Separate Exclude Rep/Lts - Vacant.

NAME	YES	NO	ABSTAIN
Rep. Story		✓	
Rep. Orr		✓	
Rep. Schmidt	✓		
Rep. Holden		✓	
Rep. Rose		✓	
Rep. Guggenheim	✓		
Rep. Jackson		✓	
Rep. Harrington	✓		
Rep. Dale		✓	
Rep. Sommerville		✓	
Rep. Erickson	✓		
Rep. Rehbein		✓	
Rep. Beck	✓		
Rep. Davies		✓	
Rep. Fuchs	✓		
Rep. Harper	✓		
Rep. Hanson		✓	
Rep. Raney	✓		
Rep. Gillan	✓		
Rep. Hibbard		✓	

9 11

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HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 1804 DATE OF MEETING 4/12/99

MOTION: Do Concur as Amended

NAME	YES	NO	ABSTAIN
Rep. Story	✓		
Rep. Orr		✓	
Rep. Schmidt		✓	
Rep. Holden	✓		
Rep. Rose	✓		
Rep. Guggenheim		✓	
Rep. Jackson	✓		
Rep. Harrington		✓	
Rep. Dale	✓		
Rep. Sommerville	✓		
Rep. Erickson	✓	✓	
Rep. Rehbein	✓		
Rep. Beck		✓	
Rep. Davies	✓		
Rep. Fuchs	✓		
Rep. Harper		✓	
Rep. Hanson	✓		
Rep. Raney		✓	
Rep. Gillan		✓	
Rep. Hibbard (Chairman)	✓		

11 9

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB184 DATE OF MEETING 4/12/99

MOTION: Nelson - concealed amendment (50% of exemption) 3.5%

NAME	YES	NO	ABSTAIN
Rep. Story		✓	
Rep. Orr		✓	
Rep. Schmidt	✓		
Rep. Holden		✓	
Rep. Rose		✓	
Rep. Guggenheim	✓		
Rep. Jackson		✓	
Rep. Harrington	✓		
Rep. Dale		✓	
Rep. Sommerville		✓	
Rep. Erickson	✓		
Rep. Rehbein		✓	
Rep. Beck	✓		
Rep. Davies		✓	
Rep. Fuchs		✓	
Rep. Harper	✓		
Rep. Hanson		✓	
Rep. Raney	✓		
Rep. Gillan	✓		
Rep. Hibbard		✓	

8 12

COMMITTEE ABSENTEE BALLOT

Date: 4/12/06

I hereby authorize Rep. Bob Sorey

to cast my vote(s) as follows: SB 184

Amend Davies Yes
Amend others No
Bill Yes

Representative [signature]

COMMITTEE ABSENTEE BALLOT

Date: 4/12/99

I hereby authorize Rep. Story

to cast my vote(s) as follows:

SB 265
SB 529 NO
SB 184
SB 370 YES

Representative [signature]

COMMITTEE ABSENTEE BALLOT

Date: 4/12/99

I hereby authorize Rep. DAVIES

to cast my vote(s) as follows:

SB 184 - NO

SB 265 - YES

AND ALL AMENDMENTS, MOTIONS AND OTHER BILLS WITH REP. DAVIES.

Representative [signature]

COMMITTEE PROXY

Date 4/12/99

I request to be excused from the:

Taxation **Committee**

meeting this date because of other commitments.

I desire to leave my proxy with:

Rep. Story

(Rep. Name)

Indicate Bill or Amendment Number and your vote **AYE** or **No**

If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

(Circle One)

House Senate

Bill/Amendment	Aye	No
SB 530	✓	
SB 184	✓	

Rep. Rick Dale

MONTANA HOUSE OF REPRESENTATIVES
56TH LEGISLATURE
1999 REGULAR SESSION
VOTE TABULATION

DATE: APRIL 15, 1999
TIME: 10:08 AM

SEQ. NO: 4.0
BILL NO: SB 184
BILL SP:

YES	NO	EXC	ABS
89	10	1	0

ORDER OF BUSINESS 8 3RD READING
3RD READING D/CONCUR

Y	ADAMS	N	GUTSCHE	Y	PAVLOVICH
Y	AHNER	Y	HAGENER	Y	PECK
Y	ANDERSEN, J	Y	HAINES	Y	QUILICI
Y	ANDERSON, S	Y	HANSON	Y	RANEY
Y	BARNETT	Y	HARPER	N	REHBEIN
Y	BARNHART	Y	HARRINGTON	Y	ROSE
Y	BECK	Y	HEDGES	Y	RYAN
Y	BERGSAGEL, E	Y	HIBBARD	Y	SCHMIDT
Y	BERGSAGEL, P	Y	HOLDEN	Y	SHOCKLEY
Y	BITNEY	N	HURDLE	Y	SIMON
Y	BOOKOUT	Y	JACKSON	Y	SLITER
Y	BRAINARD	Y	JOHNSON	Y	SMITH
Y	BROWN	N	JORE	Y	SOFT
Y	BUZZAS	Y	JUNEAU	Y	SOMERVILLE
Y	CLARK, E	Y	KASTEN	Y	SQUIRES
Y	CLARK, P	Y	KITZENBERG	Y	STORY
Y	CLARK, R	Y	KRENZLER	Y	STOVALL
N	COBB	Y	LAWSON	Y	SWANSON
Y	CURTISS	Y	LENHART	Y	TASH
Y	DALE	Y	LINDEEN	Y	TAYLOR
E	DAVIES	Y	MANGAN	Y	THOMAS
Y	DELL	Y	MASOLO	Y	TREXLER
Y	EGGERS	Y	MATTHEWS	Y	TROPILA
Y	ERICKSON	Y	McCANN	N	TUSS
Y	EWER	Y	McCULLOCH	Y	VICK
Y	FACEY	N	McGEE	Y	WAGNER
Y	FISHER	Y	McKENNEY	Y	WALTERS
Y	FUCHS	Y	MENAHAN	Y	WILLIAMS
Y	GALLUS	Y	MOLNAR	Y	WITT
N	GALVIN-HALCRO	Y	MOOD	N	WYATT
Y	GILLAN	Y	NOENNIG	Y	YOUNKIN
Y	GOLIE	Y	OHS	Y	ZOOK
Y	GRINDE	N	ORR	Y	MR. SPEAKER
Y	GUGGENHEIM				

VOTED ABSENTEE: KITZENBERG, YES.

SEQ NO. 1412
REVISION 0

APR 15 1999
3:49 PM

MONTANA SENATE
56th LEGISLATURE
1999 REGULAR SESSION

SB 184 HA
GROSFIELD
SECOND READING
BE NOT CONCURRED

PRESIDING: BERRY

44 YEAS 6 NAYS 0 NOT VOTING 0 EXCUSED 0 PAIRED

Y	BARTLETT	Y	JABS
Y	BECK	Y	JERGESON
Y	BERRY	Y	KEATING
Y	BISHOP	Y	KEENAN
Y	BOHLINGER	Y	LYNCH
N	CHRISTIAENS	Y	MAHLUM
N	COCCHIARELLA	Y	MCCARTHY
Y	COLE	Y	MCNUTT
Y	CRISMORE	Y	MESAROS
Y	DEPRATU	N	MILLER
Y	DEVLIN	Y	MOHL
Y	DOHERTY	Y	NELSON
Y	ECK	Y	ROUSH
Y	EKEGREN	Y	SHEA
Y	ELLINGSON	Y	SPRAGUE
Y	ELLIS	Y	STANG
N	FRANKLIN	Y	SWYSGOOD
Y	GLASER	Y	TAYLOR
Y	GRIMES	Y	TESTER
Y	GROSFIELD	Y	THOMAS
N	HALLIGAN	Y	TOEWS
Y	HARGROVE	Y	WATERMAN
Y	HARP	Y	WELLS
Y	HERTEL	N	WILSON
Y	HOLDEN	Y*	CRIPPEN

Y=YEA N=NAY E=EXCUSED -=ABENT OR NOT VOTING
YP=PAIRED YEA NP=PAIRED NAY Y*=CENTRAL YEA N*=CENTRAL NAY

MINUTES

MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON SB 184

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on April 16, 1999 at 2:30 P.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Lorents Grosfield, Chairman (R)
Rep. Robert Story Jr., Co-Chairman (R)
Sen. Dorothy Eck (D)
Sen. John Harp (R)
Rep. Dan Harrington (D)
Rep. Chase Hibbard (R)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Bills Discussed: SB 184

HEARING ON SB 184

SEN. GROSFIELD called the meeting to order. He called on the Department of Revenue first to present to the committee their presentation.

Presentation by the Department of Revenue:

Larry Finch, Department of Revenue, walked the committee through a four-page document entitled "How the Local Government Reimbursement in SB 184 Works," **EXHIBIT(tas83sb0184a01)**, created by the Department of Revenue.

Questions from the Committee:

SEN. HARP asked what the mechanism was in **SB 260** to reimburse cities and towns and county governments for the loss created by that bill. **Mr. Finch** said **SB 260** contained no specific mechanism for reimbursement for those entities. They simply receive a reallocated portion of the remaining vehicle taxes, which would have bumped up proportionately the amount they would receive because the distribution of taxes no longer takes into account those mill levies. **SEN. HARP** said, then, that what is currently in this bill in that specific area is different than the policy that was passed by the legislature and signed by the Governor, and **Mr. Finch** said that was correct.

SEN. HIBBARD asked for clarification on the pending sale of Montana Power Company assets. **Mr. Finch** said this language and this reimbursement has nothing to do with the $30 million from that sale. This is saying that in calculating the reimbursements for those taxing jurisdictions in which there is electric generation assets, the Department would take into consideration not only the drop in the rate from 12% to 6%, but also the fact that there are estimates showing that the current market valuation of those assets, which is at about $1.4 billion, after the sale would increase to about $1.9 billion. Those reimbursements would in fact, then, be based on the $1.9 billion.

SEN. ECK said that the major piece of reimbursement that won't be seen is from residential, and it will be tough on counties that are mostly residential. However, we also heard in a number of tax bills that came through the session this year, that reimbursement was being taken care of. She asked if we are assuming that reimbursement for all those minor bills is going to be dropped. **Mr. Finch** said he had not heard anything about those other bills. All this exhibit speaks to is the bills that are contained in **SB 184.**

SEN. HARP said it was the House Taxation Committee that started to identify which bills in this legislature would be reimbursed, and as the bill left the Senate and was amended yesterday on the floor, the Senate started to identify which bills in this particular bill would be reimbursed. He said the Senate has not had an opportunity to identify exactly which bills are being identified and for what reasons, and that is the purpose of this conference committee.

so intertwined, it would be difficult to separate them. She said the state does have a commitment to an equalization policy for school districts in this state, so as taxable valuation fluctuates for whatever reason in a school district, they will be compensated in a way that brings them up to the state guaranteed level. **SEN. HARP** said that would automatically be done because of the Constitutional equalization requirements.

Presentation by OPI on Their Amendments:

Ms. Quinlan said OPI has asked for nine amendments, and she distributed a handout explaining those amendments, **EXHIBIT(tas83sb0184a02)**.

SEN. GROSFIELD recessed the Free Conference Committee at 3:00 p.m., April 16, 1999, and reconvened at 11:10 a.m., April 17, 1999 in Room 325.

The committee also received a letter from Great Northern Town Center, dated April 16, 1999, and signed by Joe Kiely, **EXHIBIT(tas83sb0184a03)**; a memo from Gordon Morris, Executive Director, Montana Association of Counties, dated April 16, 1999, **EXHIBIT(tas83sb0184a04)**; and a faxed note from Charles Brooks on behalf of Yellowstone County, showing the estimated revenue losses from tax changes and reimbursement phase-outs, **EXHIBIT(tas83sb0184a05)**.

SEN. GROSFIELD reminded the committee that on Friday they had had a few minutes to hear the presentations of the Department of Revenue and the Office of Public Instruction. Today Jim Gillett will be presenting a proposal based on **HB 678.**

Presentation of Jim Gillett on HB 678:

Jim Gillett, Legislative Audit Division, distributed copies of **HB 678, EXHIBIT(tas83sb0184a06)**, and a sheet with the handwritten goals of **SEN. GLASER** on **HB 678, EXHIBIT(tas83sb0184a07)**.

Mr. Gillett said the four goals of this proposal are: 1) straight reimbursement based on tax base lost as compared to tax year 1998, 2) total dollar amount of the reimbursement is at the discretion of the legislature, 3) reimbursement would end when "tax capacity" was regained in a taxing jurisdiction, and 4) minimize shifting of tax burdens.

Mr. Gillett said the actual formula is on line 29 of page 1. He said this compares the tax capacity of a taxing jurisdiction in

REP. HARRINGTON said reimbursement for **SB 184** is not spelled out. **Mr. Finch** said he understood that **SB 184**, which is the bill that provides the reimbursement mechanisms for several other bills, does not contain the reimbursement for the impacts of **SB 184**, itself, on residential property. **SEN. HARP** said that is exactly why the Senate rejected it. The vehicle that moved from the House to the Senate is the bill that is not even identified within the bill for reimbursement. He said that is one of the main reasons why it is in conference committee.

SEN. GROSFIELD called on the Office of Public Instruction to make their presentation.

Presentation by the Office of Public Instruction:

Madalyn Quinlan, Office of Public Instruction, said there are three mechanisms used to reimburse schools through this bill as it is now: 1) $29 million is pumped through Guaranteed Tax Base Aid for school district general fund budgets, 2) $7.5 million is reimbursed to county retirement funds, and 3) $1.16 million is reimbursed to counties for the county transportation fund.

Ms. Quinlan said the way the Guaranteed Tax Base Aid works is that all districts will have shifts in taxable valuation under these bills and under whatever economic factors are working within that district. A statewide guaranteed level will be calculated for all school districts for Guaranteed Tax Base Aid, and then each district will be considered relative to where it stands in regard to the statewide guaranteed level. If a local district's taxable valuation is less than the statewide guaranteed level, the district will be compensated through Guaranteed Tax Base Aid subsidies. If a school district has a high taxable valuation now and is not currently eligible for Guaranteed Tax Base Aid, and it retains that high taxable valuation after all these bills are put into effect, they will not receive compensation under this bill; however, any school district that is currently eligible for Guaranteed Tax Base Aid, or becomes eligible, will be compensated.

Questions from the Committee:

SEN. HARP asked if it would be fair to say that **SB 184** is a bill dealing with taxes and not funding of schools, and the Guaranteed Tax Base is really a separate issue. The committee's discussions will be centered on what we do for homeowners and how we reimburse, and the mechanism of the Guaranteed Tax Base really stands on its own. **Ms. Quinlan** said she actually thinks they are

SEN. HARP said that **SB 260** is included in this proposal, and it is inconsistent with what has already taken place in the legislature as far as how **SB 260** came back with the Governor's amendments which reimbursed the 9 mills and 6 mills. He wondered if this bill would again reimburse local governments but not necessarily to the whole dollar amount with the pro ratio. **Mr. Gillett** said he could not say for sure, but his understanding is that the reimbursement to local governments in **SB 260** was 40 and 60, and he believed that that provision would be repealed.

REP. HIBBARD said the committee needed to have some sort of understanding of how this compares with the reimbursement that was amended into **SB 184**. He said he understood the goals of basically putting it back from whence it came, but that becomes complicated in practice. He wondered where the money goes in the school portion, and in the city and county portion, where it goes and how it is done. **Mr. Gillett** said it would go to the individual taxing jurisdiction. In the case of schools, if they have general fund mill levies, they will be reimbursed on their taxable valuation; in the case of cities and towns, it would be the same.

REP. HIBBARD asked in the school portion, where the money goes, into GTB or direct state aid, and how countywide transportation and retirement are handled. **Mr. Gillett** said that in **HB 678** it would go into those funds just as mill levies and motor vehicles do currently.

REP. HIBBARD asked **Mr. Gillett** to go over again how city and county reimbursement would be handled. **Mr. Gillett** said the money would go back to the individual taxing jurisdiction through the county treasurer, and then be further reimbursed to the taxing jurisdictions. **REP. HIBBARD** said, then, that reimbursements would not go to the county, and from the county to the city. **Mr. Gillett** said he assumed that it would go to the county treasurer and then to the cities and towns.

SEN. ECK said that under **HB 678, SB 184** is being reimbursed, which means there would be reimbursement for residences. She said it was her understanding that by doing that, probably other payments would have to be prorated if there is an insufficient amount of money. **Mr. Gillett** said that is exactly what would happen. **SEN. GLASER'S** point was that different jurisdictions are taxed differently, and putting them all in the mix when deciding how much to reimburse was the fairest way to deal with that.

the last completed tax year with the tax capacity in tax year 1998.

Questions from the Committee:

REP. STORY said that this formula is simple on paper, but in concept there is some concern about calculating it for all the taxing jurisdictions in the state of Montana, because there are several thousand jurisdictions. He asked if that was something **Mr. Gillett** had considered. **Mr. Gillett** said that information would have to be accumulated and technology set up to accomplish that. He said the denominator of the formula is a fixed number, the tax revenue does not change, but the numerator does change every year. Once they have been accumulated once, it is a mechanical process.

REP. STORY said that on the motor vehicle side of this, he understood that no one tracks that any further than the county level. He wondered, when that is broken down, what the proposal was to apportion the value of those vehicles to individual districts. **Mr. Gillett** said that currently motor vehicle revenues are allocated to all those separate taxing jurisdictions. One potential solution in the weighting would be to use tax revenue rather than taxable value on both sides of the formula. If that were done, the MSRP would have to be tracked to all the taxing jurisdictions.

SEN. HARP referred to goal No. 2, the dollar amount of the reimbursement is at the discretion of the legislature, and he asked about the pro ratio factor that whatever "x" is would be appropriated by a legislative reimbursement and not necessarily through a so-called dollar-for-dollar. He wondered if **Mr. Gillett** could show him where that is in the bill. **Mr. Gillett** said page 2 of **HB 678**, subsection (3), says, "The total reimbursable amount for each fiscal year is the total of all taxing jurisdiction base reimbursement amounts for the state. Each taxing jurisdiction is entitled to reimbursement equal to base reimbursement amount, or if an insufficient amount of money has been appropriated for total reimbursement under this section, then all the base reimbursement amounts must be reduced proportionally." He said **SEN. GLASER** also added subsection (5), on line 23, which says, "The governor shall include the total reimbursable amount for both years of the ensuing biennium, increased or decreased by the same percentage that the previous year's individual income tax collections have changed from the 1999 tax year's individual tax collections, in the present law base budget prepared for each session."

SEN. ECK said, then, that that would mean that it wouldn't matter what kind of property it was, industrial or residential, there would be a proportional amount of reimbursement. **Mr. Gillett** said that was correct. **SEN. ECK** said that in looking at the various proposals for reimbursement, this plan would be much more complex than the provisions under **SB 184**. **Mr. Gillett** said that initially they may all be complex to set up, but once that is done, it is the same each year. **SEN. ECK** asked if there was a provision in this proposal that would allow the local taxing authorities to raise their mills if there is not sufficient reimbursement. **Mr. Gillett** said that **HB 678** does not provide for that.

REP. HARRINGTON asked if in **HB 678**, the Governor then, before the next legislative session, makes a decision as to how much money will be appropriated to reimburse. **Mr. Gillett** said that in **HB 678**, the Governor would simply estimate the formula calculations and that becomes a part of the Governor's base budget. **REP. HARRINGTON** said, though, that the Governor would set that as part of his budget, and an increase or reduction would be according to that, and **Mr. Gillett** said that was correct. **REP. HARRINGTON** said his understanding is that when money reaches the 1998 level, there will be no reimbursement, but he wondered if there was any growth allowed for as far as any of these areas of tax or if growth is brought into the factor as far as how much is reimbursed. **Mr. Gillett** said that in the formula in **HB 678**, the growth would be used to reduce reimbursements back to the 1998 level in individual taxing jurisdictions. At that point all growth would go to the taxing jurisdiction. **REP. HARRINGTON** said, then, that there would be no allowance for growth in any of these counties until they reach that 1998 level, and **Mr. Gillett** said that was correct.

SEN. HARP asked if it would be a straight reimbursement based on tax base loss as compared to tax year 1998, which is currently in **HB 678**, but with the House floor amendment on **SB 184**, we allow the floating of mills, so there is an absolute contradiction with how both bills are factored on the reimbursement issue for local governments. **Mr. Gillett** said there is some inconsistency between the two bills.

SEN. HARP asked if the reimbursement issue brought up by **REP. HARRINGTON** would stop when the 1998 tax base capacity is reached, and **Mr. Gillett** said that was correct. **SEN. HARP** asked if anyone knows what that capacity is and how far we have to go to get the capacity to where this reimbursement would end, and **Mr. Gillett**

said that reimbursements would end on a tax jurisdiction basis, so they would not all end at the same time.

SEN. GROSFIELD asked if that was on a county-by-county basis or a taxing district-by-taxing district basis. **Mr. Gillett** said that as **HB 678** is right now, it is on a taxing jurisdiction basis.

SEN. HARP said, then, that this really recognizes the differences of how property is treated within Montana, and **Mr. Gillett** said that was correct.

REP. STORY asked if **HB 678** clarifies who calculates the number for reimbursement for each district, and **Mr. Gillett** said he did not think it did.

REP. HIBBARD asked, under this bill, what happens to new construction or new base as it comes on. **Mr. Gillett** said those would be considered growth and would be used to reduce the reimbursement until they go past the 1998 level. **REP. HIBBARD** asked if new construction is allowed, then, to be taken into the local jurisdiction, but then reimbursement reduces by a like amount. He said when this is coupled with property tax relief in **SB 184**, where mills have been allowed to float to make up for shortfalls, he wondered if mills might be required to float more under this proposal since the reimbursement goes down as growth occurs. **Mr. Gillett** said as far as mill float in **HB 678** as compared to **SB 184**, that float would vary significantly between the two because there is a different mix of tax deductions. As far as the effects of new construction, he said he would have to study that issue further to give an answer.

REP. HARRINGTON asked about the reimbursement controls in **HB 678**, and he wondered if they were entirely different than in **SB 184.** **Mr. Gillett** said the two mechanisms are much different. He said in **HB 678,** growth is used to reduce reimbursement until they achieve 1998 levels, and under **SB 184** you do get some growth.

SEN. GROSFIELD said in **HB 678** there is an allocation of $80 million from the General Fund to the Department of Revenue, which is a flat number. He asked whether, as a district reaches the 1998 level and they no longer get reimbursed, we are talking about the same $80 million to the Department, and then, as some of the jurisdictions reach the 1998 levels, if that would increase the reimbursements to other districts. **Mr. Gillett** said that $80 million would be a legislatively chosen number, but if that number stayed constant, it would have that effect. **SEN. GROSFIELD** asked if that concept would cause a tax shift from

urban to rural or east to west, and **Mr. Gillett** said they had not done any analysis regarding that.

REP. STORY asked if, when all the tax relief bills are brought together, and assuming it was fully funded, there would be no need for mill increases, and **Mr. Gillett** said that was correct. **REP. STORY** said, then, that any percent less than full funding causes some districts to raise mills a little bit, and **Mr. Gillett** said they would have to raise mills or fees. **REP. STORY** asked if that would be done under the float provision in Section 1 of **SB 184**, and **Mr. Gillett** said that was correct. **REP. STORY** said this bill provides for reimbursement for lost property within a district which causes a fall in taxable value, and **Mr. Gillett** agreed. **REP. STORY** referred to the provision which provides that the Governor will figure out what proportion of the income tax revenue this last reimbursement was, the $80 million, and then apportion that same percentage of the new income tax projection to fund the bill the next time, which is the Kadas amendment from Senate Taxation, and he wondered if that was the way that would work. **Mr. Gillett** said that the Governor would specify what that amount would be in his budget.

SEN. ECK said that she did not feel that **HB 678** allows for any growth in the revenue available to counties, but **SB 184** does allow for the growth that comes from new construction. She wondered if under **HB 678**, until they reach the 1998 level, counties are required to eat the expenses involved with growth. **Mr. Gillett** said that with the present proposal, that was correct.

SEN. HARP referred to page 2, lines 14 through 18, which is the pro ratio factor which allows the legislature to adjust and appropriate, and he wondered if that was inconsistent with the allocation of the $80 million. **Mr. Gillett** said the $80 million allocation is the manifestation of the legislative discretion. **SEN. HARP** asked if **Mr. Gillett** knew what the dollar amount would be in **SB 184** as it left the Senate for an appropriation that would drive the pro ratio section of this bill. **Mr. Gillett** said he did not, but he would find out.

SEN. GROSFIELD asked if the $80 million was simply the biennium appropriation, and **Mr. Gillett** said that was correct.

SEN. GROSFIELD asked if someone from the Department of Revenue could address the question of doing each one of these jurisdictions individually from an administrative perspective. **Judy Paynter, Department of Revenue**, said there are 5,000 taxing

districts in the state, and it would involve quite a lot of time and work to set up reimbursement to each of those. **SEN. GROSFIELD** asked if these numbers that were presented were available to the Department under current law. **Ms. Paynter** said that not all the numbers are in the database in the Department of Revenue. The Department would have to get information from the taxing jurisdictions on property. In regard to vehicles, that would probably also be the only feasible way to get that information. **SEN. GROSFIELD** asked, then, if **HB 678** does not in fact work, and **Ms. Paynter** said that under **HB 678,** there is not accurate information at the state level for the amount of motor vehicle revenue at every taxing jurisdiction in the state. **SB 184** spells out how that is accomplished.

REP. HARRINGTON asked if there was a way to know on all of these bills how much money would go into each of these areas and how it will affect the mill levies in each of these counties and how many mills will have to float in these counties. **Ms. Paynter** said **Mr. Simshaw** had done that for **SB 184** for each county and city.

REP. STORY said a couple of ways of reimbursing had been discussed, one is the mechanism the House put on **SB 184**, and the other is attaching **HB 678** to this bill and using that reimbursement mechanism. He asked if, when **SB 260** went through and was signed, that left some counties and schools short on funding in the reimbursement mechanism, and whether the Department had any of those numbers. **Ms. Paynter** said county governments were short $1.7 million in Fiscal Year 2000, and $3.6 million in Fiscal Year 2001. County miscellaneous districts were short $666,000 in FY 2000, and $1.4 million in $2001. Countywide retirement was short $612,000 in FY 2000 and $1.3 million in FY 2001. Countywide transportation is short $98,000 in FY 2000 and $207,000 in FY 2001. Cities and towns were short $1.3 million in FY 2000 and $2 million in FY 2001. School general funds were short $2.6 million in FY 2000 and $5.4 million in FY 2001. Non-general funds for FY 2000 were short $61,000 and $815,000 in FY 2001. She said these figures are without the increase in the county option tax in **SB 260** from .5 to .7.

SEN. HARP asked why these did not include the increase in tax in **SB 260. Ms. Paynter** said that that requires a vote of the people, and the Department decided to make their calculations without that. **SEN. HARP** asked which way the Administration is calculating it presently, and **Ms. Paynter** said they are also calculating it without the option money. **SEN. HARP** said that

SB 260 represents a savings to motorists of $40 million as it currently stands, and **Ms. Paynter** said that the local option tax represents about $11 million.

REP. STORY said he had asked **Jim Standaert** to run some figures when the GTB methodology was being discussed to see how much shifting would go on amongst school districts if they were reimbursed on a GTB basis rather than a dollar-for-dollar, and he wondered if those figures were available. **Mr. Standaert** said he did have those figures and would present them to the committee.

The Subcommittee on SB 184 recessed at 12:00 p.m., and reconvened at 1:30 p.m., April 17, 1999.

SEN. GROSFIELD called the Free Conference Committee on **SB 184** back to order at 1:30 p.m. He said the committee was going to concentrate on the reimbursement of schools this afternoon.

REP. STORY said that reimbursement of schools through the Guaranteed Tax Base was discussed yesterday, and this morning the Committee discussed **HB 678**, which was based on figuring how much tax base they had lost and reimbursing them for that directly. He asked if, when the percentage that is reimbursed is raised in the Guaranteed Tax Base, that money would end up back in the districts that lost tax base from tax reductions of this session. **Curt Nichols, Assistant Director, Budget and Program Planning,** said in general it would wind up back there, because in districts that are GTB eligible, a loss of taxable value given a fixed guarantee is replaced by state money. He said in addition, in this bill, the guarantee has been increased to offset the losses in the over-BASE area and the losses in the other local school funds. So there is a little bit of mixing of losses from one type of budget with the other, but in general, this should replace their losses. At the extreme end, where you have the non-GTB eligible districts that have a very high wealth, there will not be any replacement at all through the GTB, but there is some increase for them in the direct state aid that is in **SB 100.**

REP. STORY asked if schools would get more reimbursement under the **HB 678** plan, and **Mr. Nichols** said that **HB 678**, the way it is written right now with the $80 million cap and no intertie with **SB 100,** more money would go to schools and less to local governments than would happen with **SB 184** as it is constructed. He said as these two plans stand, there is a different mixing between other taxing jurisdictions and schools.

REP. STORY asked if, when money is put back through the GTB formula, one of the things that drives that is the number of students and the rest is the average value in relation to the rest of the state. He asked if the school districts that have low student numbers would be reimbursed or if they would have to go back to their mill levies. **Mr. Nichols** said they would be reimbursed proportionately, so those schools with smaller populations would get less; however, the payment level for smaller schools is higher.

REP. STORY asked if one of the reasons that the GTB reimbursement method is being considered is because it does not require reinventing a reimbursement process; it is already established. **Mr. Nichols** said that was correct. The school formula operates on changes in values and reimbursement. When a district loses value, class eight property is eliminated, and the district is GTB eligible, under the formula there is an automatic replacement of some of that loss and an offsetting of the General Fund support to recognize that. So they cannot be entirely unentangled from the school formulas even if they are ignored and are not used for redistribution.

REP. STORY asked if the schools are reimbursed now for **HB 20** and **SB 417** through those mechanisms, or was that taken care of some other way. **Mr. Nichols** said they are reimbursed with non-levy revenues for those.

REP. STORY asked if **Jim Standaert, Legislative Fiscal Division,** had the school figures now, and **Mr. Standaert** distributed a handout entitled "Impact of the Reimbursement Mechanism in SB 184 on Consolidated Mills, by School District," **EXHIBIT(tas83sb0184a08)**. He said this a run of each elementary school district in the state. He said the column "Consolidated Mills" reflects the total mills in that district for all taxing jurisdictions, and is a weighted average for each elementary school district of that total consolidated mill, and he went on to explain the rest of the information on the sheet. **SEN. HARP** asked if this information is based on **SB 184** as it left the Senate, and **Mr. Standaert** said it was. **SEN. HARP** asked if **SB 100** is figured into the changes in mills listed here, and **Mr. Standaert** said that was correct.

REP. STORY asked if **Mr. Standaert** could find any correlation in the variations demonstrated by Exhibit 8. **Mr. Standaert** said that whenever GTB at the school district level is used, you will be overcompensating poor schools and under-compensating rich schools.

REP. HARRINGTON asked if this dealt only with elementary schools, and **Mr. Standaert** said that was correct, although the high school mills are included in this.

SEN. HARP asked if **Mr. Standaert** could explain a little further the column, "Change in Other School Mills." **Mr. Standaert** said he understood that **SB 184** would not provide for direct reimbursement for schools for any of the bills to any of the school mills. That would be done by raising the GTB in such a way that the BASE mills would be driven downward. Those other mills, then, are going to have to float in response to reductions in taxable value for all the bills combined.

SEN. HARP asked about the "Changes in Local Government Mills" column, and **Mr. Standaert** said that under **SB 184** there is a reimbursement payment to each one of the local governments that presumably will cover the cost of the other bills, so no mills would have to change. **SEN. HARP** asked if **SB 260** was considered as it passed the legislature and was signed by the Governor, and **Mr. Standaert** said he had assumed that that would be totally reimbursed for.

REP. STORY said that on the back of the sheet there are totals just for the taxable value columns, and he asked if that reflects that all the tax relief bills have taken about $290 million in taxable value out of the system. **Mr. Standaert** said that was correct, in tax year 2000.

SEN. HARP said, though, that things have been done in lieu of property taxes as a way to reimburse government units, specifically for **HB 128** and **HB 174**, but strictly dealing with taxable value based on property, this is accurate. **Mr. Standaert** said he had not taken into account the excise tax or the WET tax, because he was strictly interested in local governments.

SEN. GROSFIELD asked if the difference is that in **HB 678** reimbursement is done district by district, and **Mr. Gillett** said that was correct. **SEN. GROSFIELD** asked if that allows for more flexibility on an annual basis, and **Mr. Gillett** said that under **HB 678**, the total amount of money put into the reimbursement is governed by legislative appropriation and is proportionally distributed. If the GTB and/or the direct state aid levels are raised to deliver an amount of reimbursement that is appropriate today, as tax bases change, that does not necessarily go down or go up. It depends on the demographics of the changes in the tax base.

REP. STORY asked, though, if reimbursement were not reduced on the state level, the amount spent is still capped by the formula, so that would cause some changes in taxation on the local level, and **Mr. Gillett** said that is correct, although it depends somewhat on action of this committee.

REP. STORY asked about the local option tax side of vehicles, and whether when a county puts a local option tax on motor vehicles, that money is distributed like non-levy revenue to the mill levies or if it goes into specific purposes, and if they can specify that. **Mr. Gillett** said that follows the mills. **Gordon Morris, Montana Association of Counties,** added that under the temporary provision in code, the local option revenue is distributed 50% to the county and 50% is divided between the county and the appropriate cities and towns, based upon population. In 2005, that temporary instruction will go off the books and the distribution will be based upon the distribution of personal property taxes. **REP. STORY** asked if none of that goes into the school system, and **Mr. Morris** said that the local option stays entirely with the cities, towns and counties. **REP. STORY** asked if a county can put it into a specific fund, or if it has to be distributed across the county funds, and **Mr. Morris** said that the legislative intent was that the local option distribution would be from a county perspective primarily dedicated to addressing financial problems in district court and, having done that, any additional revenue could be used anywhere within county operations.

SEN. HARP distributed Amendment SB018416.alh, **EXHIBIT(tas83sb0184a09).** He said this amendment removes three amendments that were offered on the House floor on April 14th. One of these amendments dealt with the so-called cap, one dealt with the rate that was changed, and the last one was a change of when new properties were going to be accounted for. He said these amendments passed by a very close margin, 51-49, and by removing these, we will be able to start by recognizing how the bill left the Senate.

Motion: **SEN. HARP moved SB018416.ALH.**

Discussion:

REP. HARRINGTON said there are strong and varied feelings about these particular amendments, and he wondered if there would be an opportunity at some time for this committee to look at a cap. **SEN. HARP** said he would feel comfortable continuing to look at that, but he also knew that when this bill left the Senate, there

were 47 votes for this bill without caps. **REP. HARRINGTON** said that the Democrats of the House feel that in order to give property tax relief, it should be spread over all the classes, and by taking the caps off, it creates serious problems with that.

REP. HIBBARD said **SEN. HARP** is correct in that two of the three were very narrow margins on the House floor, with a little wider margin on the Davies amendment. He said **REP. FACEY'S** amendment was a novel idea that had some fairly broad implications at a late date, and the House Taxation Committee had given him two opportunities to work on it. There was a general level of discomfort about the administration of it, and it was defeated in the Committee. In regard to the Davies amendment, he said there was not a clear understanding of what the fiscal impact would be. He said he would support this motion.

SEN. ECK said her concern is the meager amount of tax relief being given to residential in comparison to others. She said she would be willing to give up on the Davies amendment, but she felt that the Guggenheim amendment is especially important because it provides a significant increase in the amount of relief available to residences. In regard to the Facey amendment, it is complex and she was not sure how it would be implemented. She said she would vote for this amendment with the cap off.

SEN. GROSFIELD said that the Facey amendment is an interesting concept, and he did not feel that there would be a significant impact, but he did not know how it could be administered. He said he would support this motion.

Vote: **Motion carried 4-2 with Eck and Harrington voting no** (Roll call vote #1).

SEN. GROSFIELD said that if the Committee had any requests for specific information or numbers, perhaps they should ask for those now so that they could be worked on over the weekend.

REP. HIBBARD asked if there would be some value to a spreadsheet on **SB 184** reimbursements and **HB 678** reimbursements, showing a comparison of how these bills affect various categories. **REP. HARRINGTON** said that would be very helpful. **SEN. GROSFIELD** said it would be helpful to have more information.

REP. HARRINGTON asked if some areas may not be funded, and **SEN. HARP** said that **SB 260** is reimbursed. **REP. HARRINGTON** said that it is not fully funded, and **SEN. HARP** agreed, but that the

6 mills and the assumed counties on welfare are reimbursed.

REP. STORY said this Committee has the choice of the reimbursement mechanism that is in **SB 184** or the **HB 678** version. He said the reason those came out of the House Taxation Committee is because they were concerned that there would be four or five different mechanisms and the difficulty administering those, and that was the reason for trying to put together a consolidated mechanism. He wondered if anyone was available who could brief the Committee on the reimbursement mechanisms that have been in other bills.

REP. KIM GILLAN, HD 11, Billings, said that **HB 128** stipulated that the revenues generated by the excise tax would go into a special revenue account, and that would be split 25% to the General Fund and 75% back to local governments. The reimbursement was not based on a single year, but was based on a three-year running average of the property tax loss calculation. **SEN. GROSFIELD** asked how the 75% to local governments was distributed. **Gloria Paladichuk, Richland Economic Development,** said that she opposed **HB 128,** and that is why she remembers the specifics. She said it had a three-year running average, but it was also divided by a three-year statewide mill levy, and that was detrimental to eastern Montana.

REP. STORY asked **Mr. Standeart** whether the counties distributed that money according to the mill levies. **Mr. Standaert** said he does have a sheet that compares the distribution schemes of all these bills, including the distribution below the county level, and **HB 128** does not say how the money is distributed below the county level. **SEN. GROSFIELD** asked, then, if the implication is that the county commissioners have full discretion, and **Mr. Standaert** said that was probably correct, but it does not say in the bill. He provided copies of the "Reimbursement Mechanisms in Various Bills," **EXHIBIT(tas83sb0184a10).**

REP. HIBBARD said that **HB 174** states that the Department shall calculate the amount of revenue lost to each local taxing jurisdiction, and it is based upon the number of mills levied in each jurisdiction for the previous year. The amount of the reimbursement is equal to the difference of the amount determined and multiplying 12% of the assessed value to 6% of the assessed value. That determines the amount of the loss, and that is what is reimbursed to local taxing jurisdictions.

SEN. HARP said that the date on Exhibit 10 is 4/7/99, and on 4/9/99 **SB 200** was amended. He wondered if those mechanisms in

SB 200 would be accurate on this sheet dated 4/7/99. **Mary Bryson, Director, Department of Revenue,** said there is nothing in **SB 200** that would change the mechanism, so this sheet would be correct as far as **SB 200**, even though the rates did change.

REP. STORY said that the distribution method in **SB 200** did not change, but he thought the reimbursement mechanism did. **Larry Finch, Department of Revenue,** said that under **SB 200** today, for every taxpayer who has market value less than $5,000 worth of business equipment is gone. The other component is that the rate goes from 6% to 3%. In regard to reimbursements for every jurisdiction, they would look at every taxpayer who has market value of less than $5,000, determine the taxable value in that jurisdiction, and multiply it by the mill levy in 1999. That would be the reimbursement for those taxpayers. Reimbursement for the remaining taxpayers would be their 1999 taxable value times the 1999 mill levy times 50%. **SEN. HARP** asked if that is reimbursed to local governments, and **Mr. Finch** said that was correct.

SEN. HARP asked if **SB 200** was a stand-alone reimbursement mechanism, and **Mr. Finch** said it was.

Mr. Standaert said Exhibit 10 needs to be updated because the reimbursement mechanism on **SB 200** is changed from what is indicated. He said it is also different for **HB 174** than what is indicated on this sheet because this was under the language that cost the state $16 million to reimburse.

SEN. HARP said it was his understanding that when **HB 174** left the House, the cost was around $5 million, and the amendments offered by **REP. HIBBARD** before the Senate Taxation Committee, moved that to around $400,000. He said that is not indicated on Exhibit 10. **REP. HIBBARD** said that was correct, that there was an error in the way the reimbursement was calculated in the wording in the bill, and the effect of changing that to read like it was intended to read had an effect on the Fiscal Note of lowering it down to a much smaller amount. He thought that the $400,000 was pre-4Rs Act, and after the 4Rs Act it would be around $2 million.

REP. HIBBARD said, on the mills not reimbursed as listed on Exhibit 10, that it is his understanding that the 101 mills and the 9 mills is money that does not flow to the state treasury but the state treasury still has obligations to fill those accounts. If that is not a correct assumption, someone needs to set it straight. He wondered if that 101 mill reimbursement is in addition to the $85 million that has been discussed. **Mr.**

Standaert said he had just put the 40 mills and the 55 mills in there to show that **HB 174** does not reimburse those. He said the 6 mills and the 9 mills are special revenue accounts, and those are not being reimbursed in **HB 174**.

REP. HIBBARD said that money is not paid to the state for those accounts, but the obligation of the state to go back to those accounts still exists. He said the obligation is still there, and it is going to be paid out of the General Fund. **Mr. Nichols** said in terms of those accounts, when there is a property tax reduction that affects those, money needs to be appropriated from the General Fund to backfill them. In **SB 260**, there are appropriations related to that bill, and **SB 184** has appropriations for the remaining shortfalls to the 6 mills and the 9 mills, which is about $4 million.

SEN. HARP said on **HB 174** and **HB 128**, not only do the property taxes need to be considered, but also the different excise taxes and the WET taxes, the electric licensing tax, and what is going on in lieu of property taxes.

REP. STORY said he had gotten additional information on **HB 128**, and the language in the statute says that the reimbursement is calculated for each taxing jurisdiction, so that breaks it down into the levying districts like all the others tried to do. **SEN. GROSFIELD** said, then, that county commissioners do not have full discretion, it is all in the formula set out in **HB 128.**

Mr. Standaert said he would update the information on Exhibit 10 and have it available for the Committee on Monday.

REP. HIBBARD asked who would prepare the spreadsheet indicating the comparisons between the reimbursement mechanisms, and a discussion ensued regarding exactly what information would be used to produce that spreadsheet. Once that was established, **Judy Paynter, Department of Revenue,** said they would do their best to provide that information on Monday.

The Free Conference Committee on SB 184 recessed at 3:00 p.m., April 17, 1999, to reconvene at 9:00 a.m., Monday, April 19, 1999.

SEN. GROSFIELD said that since Saturday there has been some discussion on the study involved with this issue. He asked **REP. HIBBARD** to expand on that.

Motion: **REP. HIBBARD moved SB018412.AGP, EXHIBIT(tas83sb0184a11).**

Discussion:

REP. HIBBARD said that it has become clear that every time a little change is made somewhere, it affects several other areas, and there are always unintended consequences. He said decisions that have been made on the legislative level in terms of overall tax policy end up having implications for local governments, who then end up not having the ability to fund some of the tax policy decisions that the legislature makes. He said the complexity of this issue warrants more study, and he is proposing an amendment that will assure that a study committee continues. The committee will be made up of two Senate members, two House members, and then the Governor will appoint two members from counties, two members from cities and towns, one county treasurer, and one executive branch representative, for a total of 10 members. $37,500 for Funding is provided.

REP. HIBBARD said in addition, there would be a parallel court study committee consisting of two Senate members, two House members, the Chief Justice of the Supreme Court will appoint one member, and the Governor will appoint one from cities and towns, one from counties, one from the Montana Judges Association, one from the magistrates, and one clerk of court, for a total of ten, and funding will be provided at $17,500. That makes a total appropriation of $55,000.

SEN. GROSFIELD reiterated that the funding is going from $200,000 to $55,000, and membership is reduced to 10 members in each study committee. He said the charge of the committees stays the same as stated in **SB 184.**

REP. STORY said he supports this amendment.

REP. HARRINGTON asked why there was no representation on these committees from the education community. **REP. HIBBARD** said the representative from the School Boards Association was added through an amendment in House Taxation, and this amendment just pares down the size of the committee so that the dollar amount could be cut to an amount that we could actually have a committee.

SEN. GROSFIELD asked if there were any guidelines with respect to the legislative appointments, and **REP. HIBBARD** said it would be done in the normal fashion, where the Committee on Committees

makes the appointment and the Speaker of the House makes the appointment.

REP. HARRINGTON said he would support this amendment, that it is important that there is a study committee provided.

Vote: **Motion carried 6-0.**

Motion: **REP. HARRINGTON moved SB018421.ALH, EXHIBIT(tas83sb0184a12).**

Discussion:

REP. HARRINGTON said in the legislative session, **HB 420** was passed which gave Montana Resources a break on their transportation costs as part of the gross proceeds and metal mines tax, and this amendment would reimburse to a certain extent to the school district. **Mr. Heiman** said this amendment adds **HB 420** into the reimbursement formula where the loss is determined. He said it talks about the revenue loss from the listing of bills, and by adding **HB 420**, it is included in the formula for determining the reimbursement.

REP. HARRINGTON said this is important because Butte-Silver Bow is going to be hit quite hard as a result of some of the tax relief provided by this legislature. **REP. STORY** asked what the dollar amount was, and **REP. HARRINGTON** said he believed it was approximately $150,000.

REP. HIBBARD said he would support this amendment. He said this is a tax policy change that was pitting the needs of business against the needs of local governments and schools. He said this will allow the tax policy to be made that should be made and still get some money back to those local governments and schools.

Vote: **Motion carried 6-0.**

Motion: **SEN. HARP moved SB018420.ALH, EXHIBIT(tas83sb0184a13).**

Discussion:

SEN. HARP referred to **SB 260**, which is the bill that reduced the vehicle taxes in Montana from 2% to 1.4%, and resulted in $26 million to $27 million of tax relief to Montanans. He said the Governor's amendments reimbursed the 9 mills for the assumed counties and also the 6 mills for the University System, as well as the 55 mills. However, the 40 mills was not recognized in

SB 260, and this amendment strikes the coordination of the full reimbursement of **SB 260** in **SB 184**.

REP. HARRINGTON asked if a chart had been prepared showing what the effects of this would be to counties, local governments and schools. **SEN. HARP** said that he can provide the dollar amount, which is $22 million, and he was sure those figures could be provided. **REP. HARRINGTON** said he would appreciate that information.

SEN. ECK said the issue was discussed in Senate Taxation and on the floor of the Senate, that vehicle owners get a break and property owners pick it up, probably through some of the mills that don't require a vote. **SEN. HARP** said the basis of this amendment is the executive and legislative action on **SB 260**. He believes this is what was intended by both of those branches. **REP. HARRINGTON** said that it is important that the committee recognize the fact that, as pointed out by **SEN. ECK**, there is going to be a shift here as far as the taxes are concerned. He feels, however, that it is more important that it be recognized that perhaps caps are needed if this is going to be spread to even more homeowner relief, so it does not all float to the top.

SEN. HARP said an amendment was made by this Committee on Saturday which removed the cap. He said what is disturbing about the cap was the effect that it had on multiple dwellings in Montana and what took place as far as people who are trying to have affordable housing in Montana. He said the cap of $200,000 targets people in multiple dwellings and low-income people because of the rental costs that will be raised on those people.

SEN. ECK said she felt that multiple issues should be considered rather than one issue at a time. She said she had information on the cap is that there are fewer than 4% of the homes in Montana that would be greater than $200,000, and yet they would be getting well over 25% of the tax relief. As far as multiple units, she said she would like to see some information as to how they are covered, and that issue should be discussed. She said in looking at the vehicle tax, and if we are not going to reimburse that $22 million, there has been problems expressed by the Department on the mechanism for doing that, but that she might be willing to let that go if the Committee had county-by-county data which showed the impact and if there were some indication that additional homeowner relief will be provided.

REP. STORY said he had been analyzing how not reimbursing the vehicles will affect the rural taxing jurisdictions. He said the

assumption is being made that local governments will end up with the same amount of dollars as they have now, either by being reimbursed for vehicle tax losses or by raising the mills on the property that is out there. He said he is hoping that that $21 million can be put into some type of homeowner relief so as the mills are increased on the local level to get this money back, the homeowner is not hammered.

REP. HARRINGTON said as far as the caps are concerned, 95% of the homes in Montana are from zero to $200,000. Without caps in these bills, they are going to get much less tax relief because of the other 5%, and that is where he has problems. He said until he can see what effects the other part is going to have on the counties, he is going to oppose this amendment. **SEN. HARP** said that, again, when caps are put in, it targets 3,000 residents who are living in multiple housing in Montana.

SEN. GROSFIELD said it should be noted that there is a question regarding the reimbursement of small units. He said there is a technical problem with the amendment and it needs to be changed slightly. Amendment No. 6 should read "Page 182, lines 23 through page 183, line 18," because the word "through" had been omitted; and on the next line where it says "strike subsection (3)," it should say "subsection (2)." Amendment No. 7 should not be on there. **SEN. HARP** agreed with these changes.

SEN. ECK asked if it was a general agreement that that $22 million is intended to go to homeowner relief, and **SEN. HARP** that with all the tax relief bills in the legislature, he felt that a large majority of those dollars would be going to homeowner relief.

REP. HARRINGTON asked how much of these can be floated and how much will just have to disappear. **SEN. HARP** said that the 9 mills, the 6 mills and the 55 mills have been recognized, and the growth and projections of where this will be going by the year 2000, with over $90 million being paid in this area, a shift to homeowners rather than a reimbursing will help more Montanans than by simply making a commitment that the legislature and the Governor never agreed on, and that was full reimbursement of **SB 260.**

REP. HIBBARD said he intends to support this amendment, but when you look at the magnitude of the relief given overall, about $203 million, and you look at the various classes that are getting relief, there is significant relief among most taxpayers. He

said this $22 million should not be revisited, but should be left as it was passed as **SB 260.**

REP. HARRINGTON asked if he could request the Department of Revenue to provide an estimate of what the effects would be on local governments and schools as far as this $22 million is concerned. **Ms. Paynter** said that over the biennium, because there are some 40 mill shifts, there is really about $15 million to $16 million over the biennium that will result in local governments not having that revenue, and that would result in mill levy increases. That $15 million or $16 million, with the new value of a mill would probably be approximately 7 mills over the biennium.

SEN. HARP said that in addition to the change in the value of a mill, there is the issue of "in lieu of" property taxes, with two major components of **HB 128** and **HB 174** where money is being put back into local governments. He wondered if **Ms. Paynter** had taken that into account in coming to the overall average of 7 mills. **Ms. Paynter** said that the value of a mill ought to decrease about 10%, but there is also the question of the way the language may come out of the legislature this is motor vehicle loss and it is a tax in lieu of a property tax, so she is not sure how the local governments, depending on the language, could put this back on a property tax basis. It may not relate in the end to mills at all.

REP. STORY said he had asked the attorneys whether the language in Section 1 of **SB 184** would allow the county to raise the mills to recover this money, and it is his understanding that it would. **Mr. Petesch** said that **SB 184**, Section 1, as written, allows the local government to get back to the level of property tax actually imposed. Currently a tax is imposed on motor vehicles, it is not a fee in lieu of tax. It is a different way of calculating a property tax, so as written, local government could impose mills to get back to the level of tax imposed.

SEN. HARP said, then, with the legislature's action on **SB 260** and the 40 mills being outside the equation, he wondered if under **SB 184** local governments could be reimbursed regardless if the legislature recognizes the 40 mills or not. **Mr. Petesch** said reimbursement and being able to impose mills to get back to the level of taxes imposed are different issues. **SEN. HARP** said that is another good reason to exclude **SB 260.**

REP. STORY referred to **REP. HARRINGTON'S** question about the $21 million going back on the property tax base and who is going to

pay that, He said he believes the homeowner pays 40 cents on the dollar. So of this $21 million, about 40% would be picked up by homeowners and the other 60% would be spread across the tax base in that jurisdiction. **REP. HARRINGTON** said in talking about 40% and 60%, some of these communities do not have a really strong industrial base, so some of them might have to absorb much more than that.

Vote: **Motion carried 4-2 with Eck and Harrington voting no.**

Presentation of Larry Finch, Department of Revenue:

Larry Finch, Department of Revenue, distributed a "Comparison of **HB 678** and **SB 184** Reimbursement Mechanisms," **EXHIBIT(tas83sb0184a14)**, and walked the Committee through that handout.

SEN. HARP asked **Mr. Nichols** to expand on the "School Funding" section on page 3. **Mr. Nichols** said that in **SB 184,** the reimbursement to schools is about $29 million and then there is about $10 million in **SB 100,** resulting in a total of $39 million in reimbursement. The way **HB 678** would operate, there would be in the range of $35 million for schools as they split the $80 million according to the formulas in there, and there would still be the $10 million in **SB 100.** Consequently, there would be in the range of $45 million versus $39 million, which would be an expense to the counties. **SEN. HARP** said that **Mr. Finch** had said the combination is not coordinated, resulting in the differences between schools and cities and counties. He asked if **SB 184** needs to recognize what is going on because of **SB 100** in statute and also the reimbursement mechanism within **SB 184. Mr. Nichols** said that in the bills that needed reimbursement, there was about $85 million of loss in property taxes, and when they calculated the reimbursements for **SB 184,** there is $75 million to $76 million reimbursement for those districts for all those losses, with another $10 million in **SB 100.** So full $85 million loss is reimbursed, and it goes back because the schools losses have been reimbursed through the school program, the **SB 184** appropriation for schools is offset by the amount already contained in **SB 100,** so those two have been coordinated. **SEN. HARP** said, in other words, the $10 million had been backed out of the appropriation within **SB 184,** and **Mr. Nichols** said that was correct.

REP. STORY said, then, that **HB 678,** because of the way the formula works, when you work off a taxable value and compare it from one year to the next, it does not take into account that extra money going into schools through **SB 100,** so the taxable

value has been taken out and you're going to reimburse fully for that but it does not consider that you already put $5 million into schools. **Mr. Nichols** said the calculations in **SB 184** and **SB 100** recognize the loss in taxable value, but reimburse through the schools and do not reimburse to the tax. **REP. STORY** said, then, that any mechanism used to fund schools that does not compensate for that some way will over-fund, and the only way it was compensated for in **SB 184** was that the GTB was not raised as much. **Mr. Nichols** said that was correct.

Mr. Finch continued with the "Reimbursement Funding - 2001 Biennium," adding that under the second paragraph of that section, he should have added that these specified reimbursements are for calculations for reimbursements to local governments. The bill also provides for direct appropriations to the Office of Public Instruction in the amount of $38 million, and all of the appropriations combined in **SB 184** would approach the $80 million that is provided for in **HB 678,** so the amount of the appropriations in the two bills are very close to being the same.

SEN. HARP, referring to the mechanism on **HB 678**, on page 4, read that "the same percentage that the previous year's individual income tax collections have changed from the 1999 tax year's individual tax collection. If the total reimbursement were in the 2001 biennium budget, the amount of reimbursement would be $53 million to $63 million higher." He asked **Mr. Finch** to explain that. **Mr. Finch** said the language in **HB 678** says that for future biennia, it requires the Governor to include in the base budget prepared for each session the total reimbursable amount for both years of the ensuing biennium. What is confusing is what is meant by the total reimbursable amount for both years of the ensuing biennium, and whether that means to include in there the total amount that would be due to taxing jurisdictions in each of the ensuing biennium from here on out. The fact that we are not in the current biennium providing for $53 million to $63 million of reimbursements for lost revenue, would that amount have to be included in these budgets for the ensuing biennia. **REP. STORY** said this section of **HB 678** came as an amendment in the Senate Taxation Committee, and it was a suggestion by **Mayor Kadas**, that if you were going to have a reimbursement mechanism that was tied down like **HB 678** was, to put some growth in it, you would take the amount of money that was funded for reimbursement in the original year, the $80 million, and find out what proportion of the income tax that was. If it was 20% of the income tax, for the next biennium, the Governor would be required to put 20% of the projected income tax in to fund the reimbursement. The down side is, the way **HB 678** is drafted, you

cannot reimburse more than actual loss, so it would have left an ending-fund balance in the bill.

REP. HIBBARD asked, then, if the effect of this amendment would be to relate the reimbursement to the amount of income tax, and if the income tax grows, the reimbursement amount would grow in the same relative percentage, and would have the effect of tying local government reimbursement to growth in overall income tax. **REP. STORY** said that was the intent of the amendment, but other language in the bill says that you cannot reimburse more than actual loss.

SEN. ECK said the general intent was to make sure that the base amount is included in the Governor's budget. She said that **Mayor Kadas's** proposal was that a percentage of the income tax be designated for assistance to local governments without tying it to a particular mechanism.

SEN. HARP said that future legislatures need to be concerned about the potential of this and what it does. He wondered what the effects would be from the state standpoint in the future.

Mr. Finch continued through the handout, and at the section on "Relationship to Sales of MPC Assets," **SEN. HARP** asked if the increase in value due to the sale of those assets increased by one-half billion dollars, it is fair to say that the reimbursement is based on the new value and not the old value, but the dollars reimbursed in **HB 174** takes care of the entities where those fixed assets sit today. **Mr. Finch** said this is based on the assumption that if **SB 184** passes and the coordination language in **SB 184** passes as well, the reimbursement mechanism currently provided for in **HB 174** will go away and the reimbursement mechanism that is contained in **SB 184** will take its place. That reimbursement mechanism provides that in essence we would take the same approach as in **HB 174**, and that is in calculating reimbursements for a jurisdiction, we would consider its post-sale value relative to the 1998 tax base and mill levy rather than the 1998 value. **SEN. HARP** asked if they were still whole, and **Mr. Finch** said they were.

SEN. HARP asked if **SB 184** supercedes bills that have already passed, and **Mr. Finch** said that was correct, and the language in this bill would provide coordinating instructions that would strike the reimbursement sections from all of those other pieces of legislation and substitute the reimbursement language that has been placed into the reimbursement section in **SB 184. Mr. Heiman** said that Section 182 on page 182, line 20, strikes Sections 1

and 26 of **SB 200**, which are the reimbursement provisions for the livestock and the personal property tax.

REP. STORY said that same section reads that **HB 678** reduces reimbursements because the sale will cause the tax base to grow, and he asked for clarification. **Mr. Finch** said **HB 678** references tax year 1998 as the base year from which differences will be measured in tax base. **REP. STORY** wondered, though, how that is different from **SB 184.** In both, the reimbursement is dependent on what the net taxable value of those plants is, and **Mr. Finch** said that was correct. In essence, both bills treat these sales pretty much the same.

REP. HIBBARD said his understanding is that either one of these bills will override the reimbursement mechanisms in **HB 128** or **HB 174,** and either bill is designed to make those taxing jurisdictions whole to the extent that the reimbursement money is made available to do so. If the reimbursement money is more, they might come out better; and if the reimbursement money is less, then they might come out slightly less. **Mr. Finch** said that was correct.

Mr. Finch continued through the handout, starting at "Previous Reimbursement Mechanisms (HB 20 and SB 417)." **SEN. HARP** said, then, that the money from **SB 417** is being counted in the $80 million, and of that, there is a net impact of what is occurring this session of $35 million. **Mr. Finch** said that **HB 678** provides for an allocation to the Department of Revenue of $80 million to cover reimbursements. It also is repealing these two sections of law, **HB 20** and **SB 417**. Those result in a savings to the General Fund and a corresponding reduction in revenue to local governments of about $45 million over the biennium. **SEN. HARP** asked if the $45 million is the mechanism which they reimburse because of **HB 20** and **SB 417**, and **Mr. Finch** answered that under current law, **HB 20** and **SB 417** reduce revenues to the General Fund by about $45 million over the biennium. Now we are repealing those, so that is an additional $45 million net impact from this proposal benefitting the General Fund. **SEN. HARP** asked what the offset of a positive $45 million involved in the various proposals this session, and **Mr. Finch** said he did not know.

REP. HARRINGTON asked if both **HB 20** and **SB 417** dealt with the personal property tax relief, and **Mr. Finch** said that was right. **REP. HARRINGTON** asked, then, if these are repealed, whether that affects local governments even further, and **Mr. Finch** said this is a direct reduction in revenues to local governments of about $45 million over the 2001 biennium. **REP. HARRINGTON** asked if

this was on top of everything else, and he wondered if that had been figured in to what had been done so far. **Mr. Finch** said this is not included in that.

SEN. ECK clarified that the state is not reimbursing for those losses, and they are not worked into the total amount that counties are being reimbursed. **Mr. Finch** said it was not being worked into the reimbursement mechanism, and the combined impact of those two bills is $45 million over the 2001 biennium. **REP. HIBBARD** said that **SB 184** would retain the current law, so $45 million would be reimbursed to counties as was called for in **SB 417** and **HB 20.** If **HB 678** is adopted, those reimbursements go away totally, so there is $45 million which will no longer be reimbursed to cities and counties, and **Mr. Finch** said that was correct.

SEN. HARP said that budgets and projections are based on current law, and **HB 20** and **SB 417,** will be included in the mix of the final numbers. He said they may not be recognized yet, but it is recognized that is a current expenditure taking place in Montana and needs to be dealt with. **Mr. Finch** agreed.

Terry Johnson added that that $45 million is not included on the lists that were provided on Friday; however, in terms of the budgeting process, **HB 20** is a direct General Fund statutory appropriation and it was built into the starting point. In regard to **SB 417,** that is a reduction in state property tax revenues, so the local entities retain the revenue and the state gets less 40 mill property tax revenue. **SEN. HARP** said that it was a policy decision on **SB 417** that eventually we started to ratchet down, and that is something that was recognized when it was passed in the 1995 session. **Mr. Johnson** said that was correct. He said that **HB 20** is also reduced by 10% each year of the 2001 biennium.

REP. STORY said that it was always the intent of **HB 678** to reimburse for these two bills, as noted on page 2 of the bill. However, when the appropriation was put on this bill, it was a number that was picked by the Senate Taxation Committee as about how much new money we had to put into reimbursement, and they forgot to add the other $45 million on to pick up those other two reimbursements that were already fully funded.

REP. HARRINGTON asked, then, if this $45 million had not been included in **Mr. Johnson's** estimates, and **Mr. Johnson** said that if that had been included, this particular document would have shown an improved figure of another $45 million. **REP. HARRINGTON** asked

if the effects are then in the reimbursement, and **Mr. Johnson** said that that $45 million has been ignored in terms of its impact on the status sheet, and what is built into this at this point in time is about $80 million worth of direct local government reimbursement monies.

SEN. HARP said that this $45 million is recognized because it is current law and we are obligated to reimburse that, and what is being considered by this committee now is what has taken place this legislative session and what our commitment is into the future.

SEN. ECK asked if the same mechanism by which reimbursements have been taking place for **HB 20** and **SB 417**, those mechanisms will continue as they have been done, and then a new reimbursement mechanism will be added for what takes place this session. **SEN. GROSFIELD** said that this committee is considering two different approaches, **HB 678** and **SB 184**. **HB 678** repeals those two bills, and **SB 184** does not.

Mr. Finch continued, at the top of page 5, that **SB 184** retains current law with respect to these reimbursements. **SEN. GROSFIELD** added that that is a large part of what the study will be dealing with, how these two bills and what is in **SB 184** can be pulled together, recognizing that there are a lot of issues involved there and it requires more study than this committee can accomplish in a few days.

Mr. Finch said the final section of the handout deals with administrative issues.

REP. HIBBARD referred to page 2 of the Comparison handout, under "Jurisdictions Reimbursed," under **SB 184** it is stated that state levies specifically excluded under the bill include the 40 mill statewide levy for school equalization, the 33 mill and 22 mill levies for elementary and high school districts, the 1.5 mill levy for vocational-technical schools, the 6 mill university levy and the 9 mill levy for state assumption of welfare, but on the top of the next page it says that **SB 184**, combined with **SB 260**, reimburses the 6 mill and 9 mill levy accounts through direct appropriations. He wondered if that meant that those levies are excluded until **SB 260** language is included, at which times the 6 mills and the 9 mills are reimbursed. **Mr. Finch** said the bottom of page 2 is referring to the point at which the calculations are being done for taxing jurisdictions based on the language in the bill, there will not be calculations for the 6 mills and the 9 mills specifically to see how much lost revenue occurred from one

year to another because they are being reimbursed directly through appropriations that are provided both in **SB 260** and **SB 184.**

The Free Conference Committee on SB 184 was recessed at 11:00 a.m. and reconvened at 8:45 a.m., April 20, 1999.

Presentation by Mary Bryson, Department of Revenue:

Mary Bryson, Director, Department of Revenue, presented the financial summary that the Department had created which identifies what appropriations and reimbursements are necessary and available, as well as the local tax relief that is provided for the bills that are reimbursed in **SB 184, EXHIBIT(tas83sb0184a15).**

Ms. Bryson, starting at the top of Exhibit 15, the funding available in **SB 184**, the actual dollars for use in the bill, which is $79.9 million, walked the Committee through the appropriations that were broken out, arriving at a total appropriations of $75.9 million.

SEN. HARP referred to the $2 million to the City of Billings for the reimbursement due to **SB 184**, and he wondered if that was due to their city charter, which sets a limit on the number of mills that can be raised, and this is the reimbursement necessary to accommodate **SB 184**, and **Ms. Bryson** said that was correct. **SEN. HARP** asked what that cap was, and **Ms. Bryson** said it was 79 mills. **SEN. HARP** asked what a mill raises in the City of Billings, and **Ms. Bryson** said it is $124,000. **SEN. HARP** asked why Billings was being reimbursed and other cities and towns were not, and **Ms. Bryson** said it has to do with the limitation on the number of mills which they can levy, and the inability to float their mills.

REP. STORY asked for further explanation on the $4.3 million for the Office of Public Instruction, **SB 260** GTB/NLR vehicles. **Mr. Nichols** said this represents the reimbursements to schools for losses to general funds in **SB 260**, which were not appropriated. Since we have shifted back to **SB 260,** those needed to be picked up.

SEN. HARP said that as **SB 260** was crafted, it was only in effect for half of the first biennium, and then it took full effect the second year. He wondered why the $4.3 million has suddenly appeared and it had not been considered with **SB 260. Mr. Nichols**

said these numbers were on the Fiscal Note for **SB 260**. What has been done is the $6.6 million listed on the Fiscal Note for **SB 260** has been reduced to this $4.3 million which will go to the schools as reimbursements for lost revenues. **SEN. HARP** said he had been under the impression in consideration of **SB 260** that the relief to the taxpayer was around $26 million, and he asked if it should have been $30 million, or has the $4.3 million already been accounted for and it is now being counted twice. **Mr. Nichols** said he did not think so. **Terry Johnson** said that in terms of **SB 260**, on the section of the status sheet that shows potential appropriations, there is an amount shown there for **SB 260**, and that consists of Guaranteed Tax Base costs. Because it is in the potential appropriations section, it was not figured into the bottom line on the front page of that status sheet, so to that extent, based on the amendment of yesterday, those costs would be incurred by the state and the Superintendent of Public Instruction would be required by statute to request a supplemental appropriation to backfill that with General Fund monies if this bill does not pass. **SEN. HARP** asked if the $4.3 million was not included in **SB 260**, and **Mr. Johnson** said that was correct. **SEN. HARP** said that the decision that needed to be made today, then, is whether or not we want to appropriate an additional $4.3 million because the actions of the legislature and the Governor never included this amount in **SB 260**. **Mr. Johnson** said that was correct.

Mr. Nichols said that this $4.3 million could not be entirely ignored, however, because if this is ignored, the GTB costs will rise, because the appropriation by statute must be made and the withdrawal from the General Fund will be made. He said $2.2 million of that amount is reimbursement, which could be ignored, but the balance will happen no matter what. That $2.2 million is the reimbursement that would be paid to school districts for their losses on the vehicle tax. The remainder is an increase on the GTB because their taxes will rise mainly due to the delay in those reimbursements. **SEN. HARP** asked how long this delay would be, and **Mr. Nichols** said it is a one-year lag that will stay in the process.

Ms. Bryson continued through the financial summary. **REP. STORY** asked if these costs are things associated with the various tax relief bills that were not listed on those Fiscal Notes. **Ms. Bryson** said they are included in the Fiscal Notes, but they do require an allocation from the General Fund to the 6 mill and 9 mill levies to replace that money. That is a legislative decision as to whether that is done or not. **SEN. HARP** said the Governor's amendment of March 10th takes care of the 6 mills and

the 9 mills, but he asked from which this $3.9 million came. **Ms. Bryson** said that was in association with **HB 128, HB 174, SB 200** and **SB 184**. **SEN. HARP** said the price tag on **SB 200** was $62 million, but we have not appropriated, and **Ms. Bryson** said that was correct, as well as **HB 128** and **HB 174.**

SEN. HARP asked if everyone was sure that everything coordinated with **HB 2**, and **Mr. Johnson** said in terms of **HB 2**, the University System millage appropriations are essentially based on current law, before any tax relief measures were enacted. That is the appropriation level. To the extent that there is insufficient cash in those accounts, the University System cannot spend any more than what is received in those accounts; so if those accounts are backfilled with cash, they will be able to spend up to that appropriation. **SEN. HARP** said, then, that current law is based on the assumption that a mill generates $1.9 million and the millage that funds the University is based on that total taxable value, and anything that has been reduced because of legislative action must be appropriated back. **Mr. Johnson** said the state special revenue appropriation is already established in **HB 2.** If it is legislative policy to backfill those accounts with the General Fund, money must be transferred out of the General Fund into those accounts.

Ms. Bryson moved on to the land cap at 75% of improvement value, which is an amendment which will be before this Committee today, and that would be the cost associated with that amendment. **REP. HARRINGTON** asked what counties would be involved in the land cap, and **Ms. Bryson** said it would involve those counties whose property values are at a higher percentage of the total value of the improvements on the property, which would probably be western Montana.

Ms. Bryson said the final item under "Appropriations" has to do with the administrative costs that the Department of Revenue will incur, and there is an amendment pending before the Free Conference Committee on **HB 2** on the administrative costs for this bill. **SEN. HARP** asked if this was due to the phasing in of the 1996 values over a four-year period, and doing the reappraisal. **Ms. Bryson** said the vast majority of the costs are associated with additional FTEs to do the reappraisal. **SEN. HARP** asked how many FTEs that would require, and **Ms. Bryson** said the Department had requested 21 FTEs. **SEN. HARP** asked how many dollars of the $1.7 million that represented, and **Ms. Bryson** said in 2001 it will be approximately $700,000 for the FTEs, $290,000 for operating expenses, and another $12,500 for equipment.

Moving on to the "General Fund Replacement," **Ms. Bryson** said that at this point in time these two numbers are estimates, but the property tax decreases to the General Fund associated with the Roosevelt decision do need to be recognized; and because of the changes in the tax policy of Montana, there will be some non-levy revenue lost to the General Fund which needs to be recognized. **Ms. Bryson** said that demonstrates how the $79.9 million has been allocated that is available.

SEN. GROSFIELD asked if the non-levy revenue is entirely from **SB 260**, and **Ms. Bryson** said it was as a result of a lot of the other impacts that are associated with other things, although it is primarily associated with **SB 260** because motor vehicle money represents non-levy revenue.

SEN. HARP said that if that is appropriated, then, that money is basically coming back to the state, and **Ms. Bryson** said it is not really an appropriation. It is just to recognize that that is an additional revenue loss that has been incurred. **SEN. HARP** asked if the estimated revenue that has been projected is going to be affected because of the non-levy revenue losses to the General Fund of $2 million, and this is just recognizing that loss. **Ms. Bryson** said that was correct. She said it is not a cost of the bill, it is just a recognition of what revenue may be available for reimbursement. **SEN. HARP** asked if this $2 million recognized because of property tax decreases to the General Fund because of **SB 195** was based on current law. **Ms. Bryson** said that was correct, and when the revenue estimates are put together for **HJR 2** at the beginning of the session, we did base them on current law. The Roosevelt decision came out after those determinations and estimates were already made, and **HJR 2** has not been adjusted to reflect that decision. **SEN. HARP** said he did not believe that the $2 million should not be counted because it does not relate to current law and how projections are put together as far as revenue. **Ms. Bryson** said the Department had interpreted **SB 195** to phase in the values, both increases and decreases, and the projections were based upon the Department's belief that that was legislative intent and that that was current law.

Referring the Committee to the second half of the financial summary, **Ms. Bryson** listed the local tax relief provided in bills reimbursed in **SB 184**. **REP. HIBBARD** asked if the amount for

SB 200 includes the livestock reduction, and **Ms. Bryson** said it does.

REP. STORY said the 96.84% assumes that the Committee adopts all of the proposals that are listed on the top half of the financial summary, and **Ms. Bryson** said that was correct. She said these are just to lay out the decisions the Committee has before it.

REP. HARRINGTON said that the flow chart dated April 12th shows reimbursement to schools as $85.8 million, and on this sheet it is $79.8. He asked what accounted for the difference. **Ms. Bryson** said that two different factors go into that determination. The first factor is **SB 100** and the $10 million associated with that that was going back to schools and were included in these numbers. However, the Committee had made amendments to **SB 184** which changed the distribution and the reimbursement flow, so the impacts of **SB 100** are no longer recognized. The balance had to do with the GTB reimbursement. **REP. HARRINGTON** asked what the effect on the schools would be as a result of that, and **Ms. Bryson** said local school mill levies will adjust.

REP. HIBBARD said that on April 12th we had a figure of $85.8 million to reimbursed to local governments and schools, and on this sheet, the number is $62.1 to be reimbursed to local governments and schools. He said he needs to understand how we got from $85.8 million to $62.1 million, understanding that $10 million of that is from the way **SB 100** was accounted for, but there is additional difference there that is unclear to the Committee at this point. He asked if there is really no less money that is available, or if it is just the way it is accounted for. **Ms. Bryson** said that the total appropriations line on this sheet is $75.8 million, and the additional $10 million would be added to that.

REP. HARRINGTON said these mills will be able to be raised without a vote, and **Ms. Bryson** said it is her understanding that both the local jurisdictions and the schools will not have to vote increases in mills. **SEN. GROSFIELD** said that is assuming they are not going above last year's budget, and **Ms. Bryson** said that was correct.

SEN. ECK asked what the affect would be if reimbursement for residences were included in **SB 184** on different counties. She said it appears that those counties that rely primarily on residential property taxes will not receive very much reimbursement. **Ms. Bryson** said the Department has done an

analysis that shows the impact of **SB 184** on a county-by-county basis, and could make that available to the Committee. **SEN. ECK** asked if that would include the change in the number of mills that would have to be levied proportionately. **Ms. Bryson** said they do have a sheet that shows the county-by-county distribution impact and the percentages. They would not be able to say what the impact level would be as far as the local mills until they know the actual value of the local mill in that taxing jurisdiction.

SEN. GROSFIELD said the numbers on the bottom of this financial summary only deal with the bills in **SB 184**, and does not represent everything. **Ms. Bryson** said that was correct.

SEN. HARP asked where on this financial summary the excise tax that is in lieu of property tax is accounted for, and **Ms. Bryson** said that would be in the $79.9 million at the top as to funding that would be available. Those monies would be deposited into the General Fund and made available for the reimbursement. **SEN. HARP** asked if the Department could provide a breakdown of that $80 million at the top of the financial summary. **Ms. Bryson** said the Department would provide that.

REP. STORY said that yesterday the Committee thought there was $17 million available for homeowner relief, and assuming the decisions are made as laid out on this sheet, that is used up. **SEN. HARP** said that the Committee needs to recognize that it is the Committee's discretion what is going to occur with some of these issues.

SEN. GROSFIELD asked about the 79 mill cap in the City of Billings charter, and that it absolutely could not be exceeded. **Jani McCall, City of Billings,** said the City of Billings is capped at 74 mills, and due to their charter status, that cannot be raised until it is taken to a vote of the people. **SEN. GROSFIELD** asked how long the cap has been 74 mills, and **Ms. McCall** said since 1981 when the charter was established. **SEN. GROSFIELD** asked how long it would take to take this issue to the voters, and **Ms. McCall** said it would probably take nine to twelve months.

SEN. GROSFIELD asked if Billings is the only city with this issue, and **Alec Hansen, Montana League of Cities and Towns,** said there are 15 or 16 cities and towns in Montana that have charters. Two cities, Billings and Missoula, have mill levy limits in their charters. If the legislature allows other cities and towns to raise mills to recover the lost revenues of **SB 184**

and **SB 260**, Missoula could increase their mills without a vote. **SEN. GROSFIELD** said that almost $3 million is going to Billings in this proposal, which is a significant percentage, and he wondered how that would be justified. **Mr. Hansen** said when Billings set the cap, the tax rate on class four property was 11%. That rate went to 8.55% and then to 3.88% and is going down. When the 74 mills hard cap was adopted, they felt they had plenty of mills, now they are finding it is not. This amendment merely gives the City of Billings some time to go to the voters to get the increase approved. It is not a permanent commitment.

SEN. HARP said everything being worked on now is based on 1998 values, because we know what they are, and he asked if that $2 million was based on 1998 numbers. **Ms. Bryson** said it is based upon the 1998 values and information obtained from the City of Billings.

SEN. GROSFIELD asked, then, what kind of annual growth factor is being considered. **Ms. Bryson** said the Department did not do anything specifically for Billings, but the statewide average is 3% for property values. **REP. ROYAL JOHNSON, Billings,** said it is about 3.2% in Billings. He said in regarding the 74 mills, that the taxpayers in Billings are actually paying 94 mills because they pay the 74 mills, plus 10 mills for transportation, 5 mills for the library, and 5 mills for public safety. **SEN. GROSFIELD** asked if those all happened by vote, and **REP. JOHNSON** said that was right.

SEN. ECK asked if the City of Billings and Yellowstone County make use of fees and funds in order to avoid mills. **REP. JOHNSON** said they use SIDs, RSIDs, tax increment districts in addition to other items. **SEN. ECK** said the other thing that is happening here is the lowering of the value of a mill, and she wondered if there would be a possibility of maintaining the current 3.86% or increasing that for those districts that are up against caps. She wondered if that would bring in enough extra money to make a difference. **Ms. Bryson** said as a result of legislation, the taxable value is being lowered, but the actual market value of property is not changing. As far as not lowering the taxable value, that would be a decision the legislature would have to make.

REP. STORY asked if the charter in Billings requires that an election for a mill levy increase be held at a certain time, and **REP. JOHNSON** said they do have to be held at a certain time, but he did not remember the specific date. **REP. STORY** said the City of Billings would need some lead time to promote, and then after

the vote, it would take a certain amount of time to put those mills on the rolls and start collecting them. **REP. JOHNSON** said that was correct. **SEN. GROSFIELD** asked **Mr. Hansen** if he knew the minimum amount of time it would take to accomplish the whole process. **Mr. Hansen** said the primary would be in September, the general would be in November. He said starting now, there would be enough time to notice up a mill levy election in the City of Billings.

The Committee recessed at 9:55 a.m., April 20, 1999, and reconvened at 8:07 p.m., April 20, 1999.

Motion: SEN. ECK moved SB018415.ALH, EXHIBIT(tas83sb0184a16).

Discussion:

REP. STORY said these are technical amendments which reinsert language and correct some provisions that were in the drafting of this lengthy bill and needed to be taken care of. **Mr. Heiman** said Amendments 1 and 2 make some changes to the title that are necessary by the following amendments. Amendment No. 3 reinserts a section that was mistakenly struck from the bill which is the general taxing power of municipalities. Amendment No. 4 changes the valuation of class four property to 100% to the applicable percentage of the value of the property. Also, there are changes to some provisions relating to the Hard Rock Mining Impact, Amendment No. 5 deletes a section and Nos. 6 and 7 clarify how the valuation is to be used. No. 8 changes how the assistance is rendered to the Department of Administration in the study involved. Nos. 9 and 10 provide that legislators are paid as legislators in the course of the study; No. 11 corrects a mistake as to which department the appropriation goes to; No. 12 includes the basic coordination regarding the prison farm study and including that in the study provided for in this bill; No. 13 is a standard severability clause; and Nos. 14 and 15 terminate the reimbursement provision.

SEN. HARP asked if the hard rock issue coordinates with **REP. HARRINGTON'S** amendment regarding **HB 420**. **SEN. GROSFIELD** said that amendment actually came from him, and it has to do with the ability of hard rock mining counties to count as newly taxable property the mining property as it comes in.

Vote: Motion carried 6-0.

Motion: SEN. ECK moved SB018424.ALH, EXHIBIT(tas83sb0184a17).

Discussion:

SEN. ECK said this amendment provides a greater amount of tax relief for residences. She suggested that vacant lots be deleted and reworked into the tax exemptions for residences. The other issue is the $200,000 cap, and she said she agreed with what **SEN. HARP** had said about that affecting multi-unit rental units, so this puts in a cap of $200,000 for each unit.

SEN. HARP said he still had a problem with the vacant lot issue. It is his understanding that for a mobile home, a lot is considered private property unless the home is on a foundation, and mobile home owners could see a 30% increase in their taxes. He said he appreciates **SEN. ECK'S** concerns for homeowners, but he could not support the amendment.

SEN. ECK said the percentage of the $14 million that is being allowed for vacant lots that house mobile homes is 2% or 3%; however, it is obvious that this amendment is not going and she would not push it any further.

Vote: **Motion failed 2-4 with Harp. Grosfield, Story and Hibbard voting no.**

Motion: **SEN. ECK moved SB018425.ALH, EXHIBIT(tas83sb0184a18).**

Discussion:

SEN. ECK said this amendment includes in the tax exemptions in **SB 184**, along with the seven other bills on page 177 where those bills are listed, that **SB 184** could be reimbursed, and adds **SB 184** into the total mix with the understanding that this is going to be proportional anyway, but it would be more fair to those counties that have a tax base that is predominantly residential.

REP. STORY said he would oppose this amendment. He said when this reimbursement process was begun, the bills that already had reimbursement mechanisms in them were considered. The reason the reimbursement mechanisms were consolidated was just to simplify the process so there would not be six or seven reimbursement mechanisms out there to administer. Many of those bills are focused on very specific areas. **SB 184** was a bill dealing with installing the new reappraisal, and every time a new reappraisal is installed, there is a shift in the tax base. It was decided to put some homeowner relief into **SB 184** without shifting it to other people in the tax system. He said he opposes this

amendment because he feels that we need to keep our money focused to the policies that were passed in the tax reduction bills.

REP. HARRINGTON asked what this would do for homeowners, and **SEN. ECK** said the Department was going to try to get some data on this, but she has not seen it.

REP. HIBBARD said a number of tax policy changes took place this session which affected local governments, and it is nice to be able to put some of that money back into those taxing jurisdictions. He said with all that has been done, homeowners will achieve decreases in their property taxes. He said he would oppose this amendment.

SEN. ECK said that some homeowners will end up paying less tax, some will end up paying more, and that has to do with the general makeup of their county, because the floating mills could fall primarily on residences in some counties.

Vote: Motion failed 2-4, with Harp, Grosfield, Story and Hibbard voting no.

Motion: SEN. ECK moved SB018429.ALH, EXHIBIT(tas83sb0184a19).

Discussion:

SEN. ECK asked **Mr. Heiman** to explain this amendment. **Mr. Heiman** said this is a set of amendments that are clarification amendments that started with the Office of Public Instruction and also the Department of Revenue to clear up some provisions. Amendments Nos. 3 and 5 rewrite Section 1 of the bill so that it is cleaner and easier to administer; Amendments Nos. 4, 6, 7 and 8 do some cleanup as far as OPI's need for a different type of tuition levies and removing some sections from the bill to go with that.

SEN. GROSFIELD said the first few amendments deal with the famous Section 1 of this bill, and as this bill has gone through several committees, floor action, and so on, Section 1 has been amended a number of times. While he feels that Section 1 probably works, this tries to put it into a more readable and more understandable language. He said he will support this amendment.

REP. HARRINGTON said OPI had brought forward some concerns earlier, and he wondered if these alleviate those concerns. **Madalyn Quinlan, Office of Public Instruction,** said this was something she brought to the Committee last week, asking that it

be clear that the school district general fund levy and the tuition levy were subject to the provisions of the school finance law and not the provisions of Section 1 here.

REP. STORY said this does work well, and he will support it.

SEN. ECK said that everyone who has gone through this bill has found some confusing language, and this makes sense and helps this bill.

Vote: **Motion carried 6-0.**

Motion: **REP. HARRINGTON moved SB018419.ALH, EXHIBIT(tas83sb0184a20).**

Discussion:

REP. HARRINGTON said this is an amendment to reenact the economic development levy in the counties so they have the right to every six years have the election. This is one of the things that was a problem with the bill, and this gives the counties the right to continue what they are doing now, which is to vote on these economic development mill levies.

SEN. HARP asked if this is the 1 mill and it it is authorized to not exceed six years, and **REP. HARRINGTON** said that was correct. He said it was in the bill but was somehow stricken, and he believes it is an important part of the economic development. **SEN. HARP** said he supports that.

Vote: **Motion carried 6-0.**

Motion: **REP. HARRINGTON moved SB018423.ALH, EXHIBIT(tas83sb0184a21).**

Discussion:

REP. HARRINGTON said this amendment sets up the tax increment districts for their lost taxable valuation and does extend this across and gives a percentage of the recovery to the areas in these districts. **REP. HIBBARD** said this will allow for the reimbursements to tax increment finance districts across the state and will include them in the same section of the bill which deals with local government units. This allows the TIFs to be reimbursed on the same basis as any other local government unit. **Mr. Heiman** said that No. 4 provides that all districts except those industrial districts formed under 7-15-4299 get the

incremental increase for reimbursement. The industrial districts are then dealt with in No. 5. **REP. HIBBARD** said that industrial districts will not be reimbursed in the same fashion as the others, but there is an appropriation of $600,000 for the biennium to the industrial district in Butte.

REP. HARRINGTON said of all of the things that have come to Montana, the AsiMI plant is important, and using the industrial tax increment district to support this is important and this appropriation is very necessary.

SEN. ECK said this applies to that one tax increment district in Butte, but wondered if it would disallow those kind of districts in other areas. **REP. HIBBARD** said that with the way that taxes have been reduced and the elimination of personal property taxes, the main reason for creating tax increment financing districts in the future is going to be a thing of the past.

SEN. GROSFIELD said, then, that there is no longer a need for industrial TIFs because of what has been accomplished with **SB 200**. **REP. HIBBARD** said that was correct.

SEN. HARP said that Amendment No. 4 says that each year the district must receive reimbursement based on the loss of the increment taxable value of the district, so whatever is currently going on, they are being reimbursed, and No. 5 specifies that every TIF program that is currently underway in Montana will be reimbursed. He said this is consistent with what the legislature has been trying to do all session, and he will support it.

SEN. ECK asked what is happening to the tax increment district in Butte, and if this $600,000 appropriation for one biennium was going to take care of them. **SEN. HARP** said Silver Bow is always well represented in the legislature, and if a need should arise in the future, they will make sure that the legislature is aware of that need. Also, in **HB 260** there is a $600,000 appropriation which goes on forever. **REP. HIBBARD** said also that this amendment only deals with reimbursement, so formation of TIFs in the future would be affected by the reduction and elimination of personal property tax; however, if TIFs can be structured around some other future tax flow, there is nothing here to prevent that from happening.

REP. HARRINGTON said it is important to note that we are protecting all tax increment districts across the state of Montana with this bill.

Vote: **Motion carried 6-0.**

Motion: **SEN. HARP moved SB018422.ALH, EXHIBIT(tas83sb0184a22).**

Discussion:

SEN. HARP listed the major points of this amendment: 1) it reimburses OPI for the effects of **SB 260**, the entire amount of $4.3 million, a direct reimbursement rather than going through the GTB, and is a dollar replacement; 2) it recognizes the charter problems for the City of Billings by appropriating $2,150,000 to fully reimburse; 3) it reimburses $2.4 million from the General Fund to the 6 mills for the University System; 4) it recognizes that we are back in the reappraisal business, and $1.5 million will be appropriated to the Department of Revenue to administer this act; 5) it provides approximately $67,834,392 will be reimbursed to local governments and schools, with a 3% growth factor, beyond the impacts of the legislative acts; 6) it provides that the Governor will be required to include reimbursements into the future in his base budget, and 7) it provides $1 million to take care of the disparity between the values of land and residences, and there will be a land cap to deal with those situations where the land has increased more than 75% of the improvements.

REP. HARP said this amendment amounts to a little over $79 million, along with the $600,000 appropriation in **REP. HARRINGTON'S** amendment. The Department of Revenue provided a financial summary dated April 20, 1999, with attachments, **EXHIBIT(tas83sb0184a23).**

SEN. HARP said this results in $138 million in tax relief, not including the $10 million of relief in **SB 100,** and the effects of that are being reimbursed.

REP. HARRINGTON said it is a good amendment, but he does have some problems with the 75%.

SEN. ECK said she has problems with that also, but she has been told that it only affects Lake County, Gallatin County and Flathead County. This would encourage anyone who has valuable, high-tax land to build a very inexpensive dwelling and get a very large tax cut.

REP. STORY said this bill takes care of total tax restructuring that has taken place in this session, and he supports this amendment.

SEN. ECK said her preference would be to segregate No. 5, and she could support this amendment.

SEN. HARP said the entire session has worked toward turning the economy around and also recognizing the responsibilities that we have to local governments and schools. When you look at the entire picture of this session, this is a landmark legislature.

SEN. GROSFIELD added that there is a lot of tax relief in this bill, and reimbursements have been taken care of. It is a good amendment, and he will support it.

Vote: **Motion carried 6-0.**

Motion: **REP. STORY moved that SB 184 DO PASS AS AMENDED.**

Discussion:

REP. HARRINGTON said that if he had his druthers, he would want to go a different direction, but as it stands presently, he will support this bill.

REP. HIBBARD said that last session we were able to stop a 44% statewide increase in taxes, affecting 94% of the taxpayers in Montana. By these actions today, we are able to phase that reappraisal in over a four-year period of time, and through a combination of homestead and comstead exemptions and rate reductions, we are able to still provide additional relief, somewhere between 10% and 6.2% of tax relief to homeowners. Overall we are providing about $138 million worth of tax relief and allowing local governments to recoup whatever losses they may have suffered. He said he wholeheartedly supports this bill as amended.

SEN. ECK said she supports the idea of reimbursing counties when their tax base is cut. She said this is a more sophisticated effort, and is probably the best effort that has been made, but she is not sure what it does yet, and she would like to see the data and have it made available to the entire Senate. **SEN. HARP** said he had assured **SEN. DOHERTY** that that information would be available.

REP. STORY said this is a lengthy and complicated bill, but the needs for this bill points to the fact that we have a convoluted property tax system in Montana and we just made it more complicated. He said we rely very heavily on property taxes to support both state and local governments, and we are not going to

get away from that with the present tax system. This bill puts together a study group to look at a simplified funding system as long as we are going to depend on the property tax system to do all the work in the state of Montana. He said the methods that were done this time to try to hold the homeowner harmless and the commercial property harmless from the reappraisal put another level of complexity into an already complex system, but it has served its purpose as best as it could. This is a good bill, it is good for Montana, good for homeowners and good for business, and he will support it.

REP. HARRINGTON said he echoes **SEN. ECK'S** comments. It is going to be very, very important that all that material can be presented in the morning so that each and every legislator knows exactly what this bill does in every aspect.

SEN. GROSFIELD said **SB 184** has had a long and varied history. At the beginning of the session we were dealing with **CI-75**. This bill deals with the issues raised in that Constitutional initiative, which were local taxpayer control or at least a say in government, especially as it relates to taxes. This bill still requires a local participation in the form of local voter approval if a government unit's budget is increased above whatever it was last year.

SEN. GROSFIELD said it also deals with the issues involved in **SB 195** by taking a 50-year phase-in and moved it back to a six-year phase-in and set up a six-year reappraisal cycle. This bill responds to and actually uses the concept of **SB 195**, but instead of doing it over 50 years, it does it in six years. It also does the whole reappraisal thing. It provides significant and real homeowner property tax relief.

SEN. GROSFIELD said he is proud to have been a part of this particular legislative session. He commended everyone who was involved with this bill and all the amendments and requested information. Their help was greatly appreciated.

Vote: Motion carried 6-0.

FREE CONF. COM.
SENATE TAXATION
DATE 4/16/99
EXHIBIT NO. 1
BILL NO. SB 184

Date: April 16, 1999
To: Free Conference Committee on SB184
From: Tax Policy and Research Process, MDOR

How the Local Government Reimbursement in SB184 Works

Section 171, SB184 provides for reimbursements to local governments for revenues lost as a result of passage of HB128, HB174, SB200, HB658, SB530, and SB260.

HB128, HB174, and SB200 reduce ***property taxes***; HB658 and SB530 reduce and reallocate ***oil and gas production taxes***; and SB260 reduces ***motor vehicle taxes.***

For the purposes of these reimbursements, ***local governments include counties, cities and towns, consolidated county-city governments, and small local taxing jurisdictions like mosquito or cemetery districts.*** Reimbursements specifically are not provided to tax increment financing districts (TIFs), the state, school districts, and countywide levies for school transportation or teacher retirement.

State levies not being reimbursed include, the 40-mill statewide levy for school equalization, the 33-mill and 22-mill levies for elementary and high school districts, and the 1.5-mill levy for vocational-technical schools. The 6-mill university levy and the 9-mill levy for state assumption of welfare are being reimbursed directly through appropriations provided for in the bill.

Reimbursement Funding

Reimbursements are provided for fiscal year 2000 and fiscal year 2001 using fiscal year 1998 as the base year from which changes in tax revenue are measured. Some of the law changes in SB184 take effect in fiscal year 2000, while some of the changes may not take effect until fiscal year 2001. To this extent, the reimbursements for fiscal year 2000 are calculated based on the provisions of SB184 that take effect in fiscal 2000, and the reimbursements for fiscal year 2001 are calculated based on the provisions of SB184 that are in effect for fiscal year 2001.

Funding for the reimbursements is provided through appropriations contained in SB184. These appropriations are based on the fiscal note impacts for each piece of legislation for which reimbursements are being provided in SB184. The total appropriation for fiscal year 2000 is $8,563,819 and the total appropriation for fiscal year 2001 is $29,672,370.

Reimbursement Calculation

To calculate the reimbursement due each eligible taxing jurisdiction, the department will first determine the amount of taxes actually received in each jurisdiction from property taxes, oil and gas production taxes, and motor vehicle taxes in fiscal year 1998.

The department will then calculate the amount of taxes that would have been collected by each jurisdiction in fiscal year 1998 from these same sources if all of the above mentioned bills had been in effect in that year.

Summing the difference between the above two calculations across all taxing jurisdictions provides a calculation of the statewide total reduction in taxes. Each jurisdiction will then receive a reimbursement for fiscal year 2000 and 2001 that is equal to the jurisdiction's *pro rata* share of the total fiscal 1998 tax reduction multiplied by the appropriation provided for that fiscal year.

Reimbursement Example

For example, suppose a particular taxing jurisdiction would have experienced a tax reduction of $127,148 in fiscal 1998 if all of the bills for which reimbursements are being provided had been in effect in that year. Suppose also that the total statewide tax reduction for all taxing jurisdictions eligible for reimbursement for fiscal year 1998 is calculated to be $28,996,487. This particular jurisdiction's share of the total tax reduction is calculated as:

$127,148 / $28,996,487 or 0.43849%

Based on the fiscal year 2001 appropriation of $29,672,370 provided for in the bill, this jurisdiction would receive a reimbursement of $130,112 in fiscal year 2001, calculated by multiplying the jurisdiction's share of the fiscal year 1998 tax loss by the appropriation amount as follows:

$29,672,370 X 0.43849% = $130,112

In this example, this taxing jurisdiction would receive a reimbursement amount of $130,112. This amount is 2.33% larger than the tax loss calculated for fiscal year 1998 because the fiscal year 2001 appropriation of $29,672,370 provided for in SB184 is 2.33% larger than the total tax reduction of $28,996,487 calculated for fiscal year 1998.

Clarifying Adjustments

The bill provides for two clarifying adjustments.

First, SB260 reduced the tax rate applied to motor vehicles from 2% to 1.4%. This represents a 30% reduction in the rate. The Department of Commerce annually collects information from county and city and town governments that shows the revenue received by these jurisdictions from the 2% tax on motor vehicles. This information will serve as the source for making these reimbursement calculations for SB260.

The bill provides that the reimbursement to cities and towns from the reduction in the tax rate in SB260 is simply 30% of the actual revenue received from this tax in fiscal year 1998.

County governments could also be reimbursed using the same approach used for cities and towns, as information on the amount of revenue from motor vehicle taxes, by county, is also available from the Department of Commerce.

However, no information exists showing the amount of revenue received from motor vehicle taxes for each of the small miscellaneous taxing jurisdictions in the state. To compensate for this lack of information, the bill provides a procedure for ensuring that revenue will be available to reimburse these taxing jurisdictions in a manner that is intended to just keep them whole as a group.

To do this, the reimbursement amount for county governments, which would be 30% of their motor vehicle revenue in fiscal year 1998, is adjusted by multiplying the amount that the county would receive by the ratio of the county government mill levy, plus a countywide, weighted average mill levy for all miscellaneous taxing jurisdictions in the county, to just the county government mill levy. This procedure should result in a reasonable reimbursement amount to cover all miscellaneous taxing jurisdictions, as it is based on the fact that motor vehicle taxes are distributed in the relative proportions of mills levied by each taxing jurisdiction. An example will help to illustrate this procedure.

In this example, the county has total taxable valuation of $40,000,000 and the county government levied 60 mills for fiscal year 1998. County government also received $300,000 in motor vehicle taxes in fiscal year 1998. On a countywide basis, this results in $5,000 in motor vehicle taxes for each mill levied:

$300,000 / 60 mills = $5,000 per mill

If there were no miscellaneous taxing jurisdictions in the county, the county would receive a reimbursement of 30% of the $300,000 it received in fiscal 1998, or $90,000 for SB260. This would act to keep county government whole.

Now suppose that there are three miscellaneous taxing jurisdictions in the county that in total levied $185,000 in property taxes in fiscal year 1998. In fiscal year

1998, it would have required a countywide weighted average mill levy of 4.625 mills to generate the $185,000 in total property taxes levied by all miscellaneous taxing jurisdictions in the county:

$185,000 / $40,000,000 = 0.004625 (or 4.625 mills)

Recall that each mill levied on a countywide basis is worth $5,000 in motor vehicle taxes. The weighted average mill of 4.625 mills levied by all miscellaneous taxing jurisdictions in the county is therefore worth $23,125 in motor vehicle taxes. The reimbursement would be adjusted upwards by 30% of this amount, or $6,938. This results in a total reimbursement to the county of $96,938. Of this amount, $90,000 could be used to keep county government whole, while $6,938 could be used to compensate all miscellaneous taxing jurisdictions in the county for reduced motor vehicle taxes.

The formula in the bill produces the same result:

Total Reimbursement = $90,000 X (64.625/60) = $96,938

Second, the bill provides that the reimbursement will also take into account any benefit to the taxing jurisdiction that arises from the pending sale of Montana Power Company electric generation assets. In essence this means that the reimbursement will be based on the difference between what was actually levied in fiscal year 1998, and what would have been levied in fiscal year 1998 if :

1) HB174 had been in effect (tax rate reduced from 12% to 6%), and
2) The resulting market value of generation assets following the sale of these assets also had been in effect in fiscal year 1998.

This will act to keep taxing jurisdictions whole with respect to both the tax rate reduction, and the market value increase in generation assets.

FREE CONF. COM.
SENATE TAXATION
DATE 4/16/99
EXHIBIT NO. 2
BILL NO. SB 184

April 16, 1999

To: Senator Dorothy Eck
Senator Lorents Grosfield
Senator John Harp
Representative Chase Hibbard
Representative Bob Story
Representative Dan Harrington

From: Madalyn Quinlan, Office of Public Instruction

Subject: Amendments to SB 184, Reference Copy

The Office of Public Instruction is requesting the attached amendments to Senate Bill 184.

Explanation
Amendments 1-2:
Title changes

Amendments 3-5:
The district levy which funds the nonisolated school BASE budget is also a BASE budget levy and needs to be referenced along with the BASE budget levy defined in 20-9-306. The district tuition fund fluctuates from year to year depending on the number of students served. The tuition rate is set by state statute. Both the nonisolated school BASE budget levy and the tuition levy are tied to the per-student entitlements adopted by the legislature. If the nonisolated school BASE budget and tuition levies are not subject to Section 1 of SB 184, then Sections 105 and 114 should be deleted from SB 184.

SB 460 amends 20-9-308 regarding BASE budget limits. SB 460 requires voter approval of any tax increase to fund the over-BASE budget of the school district. Section 1 allows a governmental entity to increase tax collections when the increase is attributable to growth in the tax base. SB 460 is more restrictive than SB 184 for school general fund budgets.

Amendments 6-8:
The Office of Public Instruction requests that the legislature limit the definition of "statewide mill value per student" to one definition. In the current version of the bill, there are two different definitions of the statewide mill value per student, one for retirement levies and another one for school facility reimbursements. The state appropriation for school facilities is set in House Bill 2. So, linking the statewide mill value per student for school facilities to the same mill value used for retirement will not cost the state any more money.

Amendment 9:
The debt service levy is authorized by the voters and is not subject to the property tax limitations in Section 1, therefore Section 121 should be removed from the bill.

Amendments to Senate Bill No. 184
Reference Copy

Requested by Senator Dorothy Eck

For the Senate Conference Committee

Prepared by Lee Heiman
April 16, 1999 (11:58AM)

1. Title, page 2, line 9.
Strike: "20-9--303, 20-9-308,"
Strike: "20-9-438,"

2. Title, page 2, line 8.
Strike: "20-6-413,"

3. Page 3, line 18.
Following: "BUDGET"
Strike: "LEVY"
Insert: "levies"
Following: "20-9-306"
Insert: "and 20-9-303, the district levy for tuition obligations established in 20-5-324(5)"

4. Page 108, line 16 through page 109, line 6.
Strike: section 105 in its entirety

5. Page 114, line 11 through page 116, line 25.
Strike: sections 114 and 115 in their entirety
Renumber: subsequent sections

6. Page 120, line 8.
Strike: ":"

7. Page 120, line 9.
Strike: "(i)"
Insert: "school facility entitlement and"

8. Page 120, line 13 through line 17.
Strike: ":" on line 13 through "amounts" on line 17

9. Page 120, line 27 through page 121, line 23.
Strike: section 121 in its entirety
Renumber: subsequent sections

Great Northern Town Center
Artisan, LLP: Developer

FREE CONF. COM.
~~SENATE TAXATION~~
DATE 4/16/99
EXHIBIT NO. 3
BILL NO. SB 184

April 16, 1999

Representative Dan Harrington
Capitol Station
Helena, Montana 59620

Dear Representative Harrington:

The purpose of this letter is to convey to you my grave concerns with respect to the most recent version of SB 184 relative to replacement revenues for Tax Increment Financing as specified in the measure. Thank you in advance for taking time to hear me out on this matter.

Artisan LLP is the developer of a $50 million dollar mixed use urban development known as the Great Northern Town Center (GNTC). This development represents in every way a very real example of public private/partnership. The GNTC vision is the result of years of comprehensive planning and represents the best ideas of urban planning through the involvement of local citizens, small business owners, local government and those private individuals willing to take the financial risks to make it a reality. Attached is a vision statement of the Great Northern Town Center, together with a color rendering showing the magnitude of this partnership and the benefits that will be derived by the citizens of the community.

If in fact the intent of SB 184 is to provide tax relief in the hopes of spawning economic development, then eliminating the ability for local municipalities to allow for public/ private partnership investment could be construed as being counterintuitive. The ability to leverage private investment through public participation is the absolute key to making good urban planned developments such as the Great Northern Town Center reality.

Our particular concern with SB 184 is the elimination of replacement revenues within Tax Increment Financing Districts. The single most compelling factor in moving forward with the development of the Great Northern Town Center, was the City of Helena's willingness to commit to the construction of a parking structure to serve not only this development but other parts of the Central Business District. The source of funding for this parking structure is to be provided through a bond issue, the proceeds of which are to be repaid by the city from a variety of sources, the majority of which would be from Tax Increment Funds.

Developer: Artisan, LLP, Box 472, Helena, Montana 59624 • Phone: 406-443-2160 • FAX: 406-443-2161 • email: gntc@helenanet.com

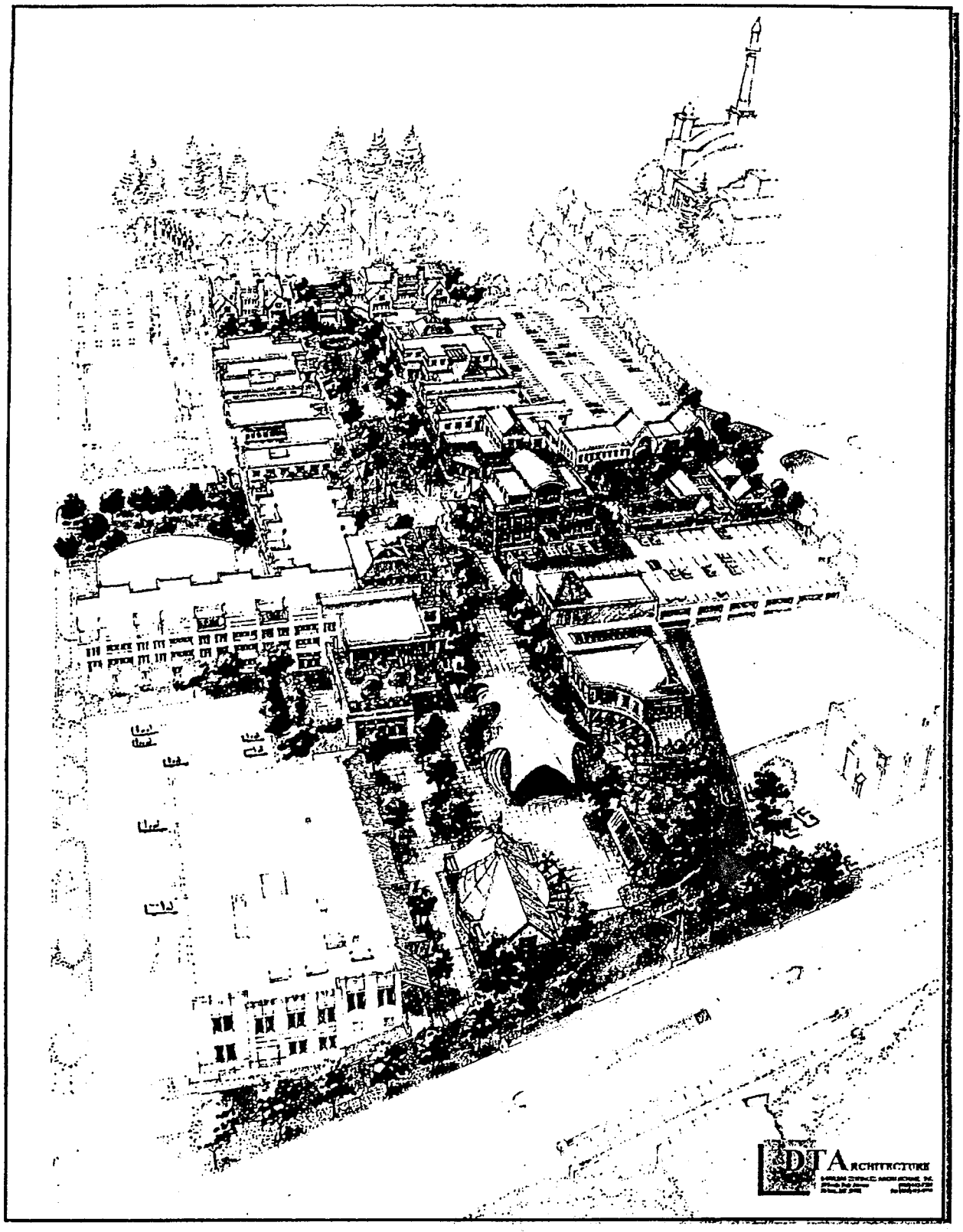
The inability to reimburse for lost revenues to Tax Increment Districts, within the present version of SB 184, goes against the objective of this legislation. The fiscal impact for this lost revenue impedes local municipalities of innovative means to leverage and sustain the viability of its communities through public/private investment.

To date, the GNTC has commitments for approximately $21 million dollars of private investment hinged on the promise of the city to construct adequate parking through Tax Increment Financing. As our elected representatives, we rely and trust in your judgment to guardian the stability of our communities. To this end, I request your thoughtful consideration in amending SB 184 to preserve, protect and enhance the communities in which we live.

Thank you for the time and effort you put forth in committing to serve as our elected representative, it is very much appreciated.

Sincerely,

Joe Kiely, Artisan LLP



DTA ARCHITECTURE

DOWLING TINTINGER ARCHITECTURE, P.C.
30 South Park Avenue (406) 443-7774
Helena, MT 59601 fax (406) 449-3936

GREAT NORTHERN TOWN CENTER - AERIAL VIEW

THE GREAT NORTHERN TOWN CENTER
PROJECT VISION

The Great Northern Town Center is a Planned Unit Development designed to provide the residents of the community of Helena with unique opportunities for living, working, shopping, recreating and socializing. Located at the northern end of the economically vibrant Central Business District, this mixed-use development is sited on approximately 11 acres.

38 Animal Hand Carved Carousel

The Great Northern Town Center will accommodate a combination of residences, offices, retail shops, eating establishments, a bank and a hotel/convention facility. Complimenting the development will be a network of open common spaces for people of all ages to gather and socialize which, together with the built environment, will form an enjoyable, livable community. The pedestrian orientation of this development will minimize automobile circulation within and will encourage pedestrian and bicycle circulation. There will be a strong sense of connection to Carroll College and Centennial Park to the north, the commercial districts to the east and south and the Helena Civic Center, Kay McKenna Park and the residential neighborhoods to the west.

The Great Northern Town Center is an innovative approach to urban planning. The best ideas of contemporary and traditional community design have been blended to create a unique living environment with the authentic sense of community found in other historic areas and neighborhoods within Helena. Thoughtful anticipation of future life-style needs is central to the theme of the project vision. That vision focuses on a balanced community which effectively provides and links key life-style elements: Safety, Education, Commerce, Employment, Family, Recreation and Entertainment.

The Great Northern Town Center will be an area for everyone where people of all backgrounds, ages and incomes can work and play together. It will compliment the city of Helena's small town character and quality of life.

~~SENATE TAXATION~~ FREE CONF. COM.
DATE 4/16/99
EXHIBIT NO. 4
BILL NO. SB184

MONTANA ASSOCIATION OF COUNTIES

2711 Airport Road
Helena, MT 59601-1264
(406) 442-5209
Fax: (406) 442-5238
e-mail: maco@initco.net

TO: Free Conference Committee on SB 184
FR: Gordon Morris, Executive Director
Montana Association of Counties
RE: SB 184 and HB 678
DATE: April 16, 1999

The following recommendations on SB 184 are respectfully submitted on behalf of counties.

1. We recommend the reimbursement mechanism in the **House 3rd Reading copy of HB 678**, Section 1. This includes:
   School funding, Section 3
   Base funding, Section 4
   Definitions, Section 5 and Section 6
   Sections 7 through 17.

2. This bill fully reimbursed local governments for pending legislation as well as HB 20, SB 417, and eliminates the phase down contained in 15-1-111 (HB 20) and 15-1-112 (SB 417).

3. The bill provides for 1.5% growth per year.

Working from **SB 184, Reference Bill** copy:

4. Retain Section 1, Procedure for calculating levies.

5. Add a list of exemptions as provided in 15-10-412(6)

6. Retain Section 2 and Section 3 (Representative Facey's amendment).

7. Retain Section 83:
   Limit the residential and commercial exemption to improvements only.
   Do not include vacant lots
   Return to tax rates established in committee, at .0835 percentage points (p.83, line 24) and move to 3.46 percent (line 25).

8. Retain Section 85 as amended.

9. Retain Section 177 dealing with the extension of 1999 deadlines.

10. Retain Section 180, Interim Study, page 179.

11. Retain Section 181

POST-IT Fax Note 7672 | No. of Pages 1 | Today's Date 4/14 | Time

To Charles Brooks | From Andy

Company | Company Yellowstone Co

Location | Location | Dept. Charge

Fax # 442-2409 | Telephone # | Fax # | Telephone # 256-2704

Comments | Original Disposition: ☐ Destroy ☐ Return ☐ Call for pickup

Could you please distribute this to our delegation
Thank-you

YELLOWSTONE COUNTY
ESTIMATED REVENUE LOSSES FROM
TAX CHANGES AND REIMBURSEMENT PHASE–OUTS
ESTIMATED UNREIMBURSED REVENUE FROM HB678 (STATE REIMB. BILL)

FUND #	Fund Name	ANNUAL REVENUE SHORTFALL
1000	GENERAL	$101,000
2110	ROAD	75,000
2120	HUMAN SERVICES	88,000
2130	BRIDGE	22,000
2140	WEED	4,400
2170	PUBLIC SAFETY	158,000
2180	DISTRICT COURT	57,000
2220	LIBRARY	15,000
2250	COUNTY PLANNING	7,500
2255	LAUREL PLANNING	500
2270	CITY–COUNTY HEALTH	9,800
2280	SENIOR CITIZENS	9,800
2290	EXTENSION	5,700
2360	MUSEUM	8,800
2390	LIABILITY INSURANCE	8,800
3020	METRA DEBT SERVICE	30,600
3030	JAIL DEBT SERVICE	32,600
5810	METRA	25,500
		$660,000

BASED ON ESTIMATES FROM STATE FISCAL NOTES

REPLACEMENT REVENUE MAY REQUIRE 3–4 ADDITIONAL MILLS (COUNTY ONLY, EXCLUDES ANY ADDITONAL MILLAGE FOR CITIES, SCHOOLS, SPECIAL DISTRICTS, ETC.)

FREE CONF. COM.
~~SENATE TAXATION~~
DATE 4/16/99
EXHIBIT NO. 5
BILL NO. SB 184

SENATE TAXATION
DATE 4/17/99
EXHIBIT NO. 6
BILL NO. SB 184/678

56th Legislature

HB0678.03

APPROVED BY
COMM ON TAXATION

HOUSE BILL NO. 678

INTRODUCED BY B. STORY, R. ERICKSON, K. GILLAN, M. GUGGENHEIM, M. HANSON, C. HIBBARD, B. REHBEIN

BY REQUEST OF THE HOUSE TAXATION STANDING COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A REIMBURSEMENT TO LOCAL GOVERNMENTS, LOCAL TAXING JURISDICTIONS, AND SCHOOL DISTRICTS FOR REVENUE LOST BECAUSE OF TAX REDUCTIONS AND EXEMPTIONS; ~~REIMBURSING COUNTIES, CITIES, AND TOWNS ON A LOSS BASIS PLUS 1.5 PERCENT; REIMBURSING SCHOOL DISTRICTS THROUGH THE USE OF DIRECT STATE AID, GUARANTEED TAX BASE, INCREASING THE STATE PORTION OF TRANSPORTATION COSTS, AND BLOCK GRANTS; INCREASING THE DIRECT STATE AID PERCENTAGE TO 41.7 PERCENT FOR FISCAL YEAR 2000 AND 43 PERCENT FOR FISCAL YEAR 2001; DECREASING THE GUARANTEED TAX BASE AID PERCENTAGE TO 38.3 PERCENT FOR FISCAL YEAR 2000 AND TO 37 PERCENT FOR FISCAL YEAR 2001; PROVIDING A STATUTORY APPROPRIATION FOR CERTAIN REIMBURSEMENTS;~~ AMENDING ~~SECTIONS~~ SECTION 17-7-502, ~~20-9-141, 20-9-306, 20-9-366, 20-9-367, 20-9-368, 20-10-144, AND 20-10-145,~~ MCA; REPEALING SECTIONS 15-1-111 AND 15-1-112, MCA; AND PROVIDING AN EFFECTIVE ~~DATES AND A TERMINATION DATES~~ DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Third Reading Bill)

Strike everything after the enacting clause and insert:

NEW SECTION. **Section 1. Local government and school reimbursement.** (1) Each taxing jurisdiction, including but not limited to cities, towns, counties, school districts, tax increment financing districts, special districts, authorities, or miscellaneous taxing districts, but not including the state of Montana, is entitled to reimbursement for loss of tax base as a result of the passage of [House Bill No. 128, House Bill No. 174, House Bill No. 658, Senate Bill No. 184, Senate Bill No. 200, Senate Bill No. 260, and Senate Bill No. 530] as provided in this section.

(2) (a) Each taxing jurisdiction's base reimbursement amount is determined by the formula, A * (1-((B + C) / (D + (E * 1.4)))), in which:

(i) A is the revenue raised in the jurisdiction from mill levies and motor vehicle taxes under

2ND RD--2ND HOUSE
AS AMENDED

61-3-504 in tax year 1998 and from local government reimbursement under 15-1-111 and 15-1-112 in fiscal year 1998, except that:

(A) if a mill levy that existed in 1998 is eliminated, then the portion of the 1998 revenue allocated to that levy in factor "A" is removed from the calculation of "A"; and

(B) mill levies established after January 1, 1999, may not be used in the calculation of factor "A";

(ii) B is taxable value in the most recent completed tax year of the jurisdiction;

(iii) C is the total, in the most recent completed tax year, of all the motor vehicle manufacturer's suggested retail prices, depreciated in accordance with 61-3-503, for light vehicles in the jurisdiction;

(iv) D is the taxable value in tax year 1998 of the jurisdiction; and

(v) E is the total, in tax year 1998, of all the motor vehicle manufacturer's suggested retail prices, depreciated in accordance with 61-3-503, for light vehicles in the jurisdiction.

(b) A taxing jurisdiction is not entitled to any reimbursement if the calculated reimbursement amount is zero or a negative number.

(3) The total reimbursable amount for each fiscal year is the total of all taxing jurisdiction base reimbursement amounts for the state. Each taxing jurisdiction is entitled to reimbursement equal to base reimbursement amount, or if an insufficient amount of money has been appropriated for total reimbursement under this section, then all the base reimbursement amounts must be reduced proportionally.

(4) The reimbursement payment must be made annually in two payments on July 1 and January 1 by the department to each county treasurer. Upon receipt of the reimbursement from the department, the county treasurer shall distribute the reimbursement to each taxing jurisdiction to be allocated to mill levies in proportion to 1998 revenue from mill levies and motor vehicle taxes under 61-3-504.

(5) The governor shall include the total reimbursable amount for both years of the ensuing biennium, increased or decreased by the same percentage that the previous year's individual income tax collections have changed from the 1999 tax year's individual tax collections, in the present law base budget prepared for each session.

Section 2. Section 17-7-502, MCA, is amended to read:

"**17-7-502. (Temporary) Statutory appropriations -- definition -- requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state

agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; ~~15-1-111,~~ 15-23-706; 15-30-195; 15-31-702; 15-36-324; 15-36-325; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-406; 16-1-411; 16-11-308; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-131; 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-161; 85-20-402; 87-1-513; 90-3-301; 90-4-215; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates July 1, 2001; pursuant to sec. 5, Ch. 461, L. 1997, the inclusion of 77-1-131 terminates October 1, 2003; and pursuant to secs. 13, 16(1), Ch. 549, L. 1997, the inclusion of 90-3-301 terminates July 1, 1999.)

17-7-502. (Effective July 1, 2008) Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply

with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-23-706; 15-30-195; 15-31-702; 15-36-324; 15-36-325; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; [16-1-406;] 16-1-411; 16-11-308; 17-3-106; 17-3-212; 17-3-222; 17-5-404; 17-5-804; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-205; 19-19-305; 19-19-506; 20-8-107; 20-9-361; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 50-5-232; 50-40-206; 53-6-150; 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 87-1-513; 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 68(2), Ch. 422, L. 1997, this version becomes effective July 1, 2008.)"

NEW SECTION. **Section 3. Repealer.** Sections 15-1-111 and 15-1-112, MCA, are repealed.

NEW SECTION. **Section 4. Coordination instruction.** (1) If any of the following is passed and approved in a form that contains a reimbursement mechanism for local government, then:

(a) in House Bill No. 128:

(i) [sections 19 and 20], third reading copy, are void;

(ii) [section 18] must read as follows:

"NEW SECTION. Section 18. **Distribution of retail telecommunications excise tax revenue.** After retaining an allowance for refunds, retail telecommunications excise tax revenue collected by the department must be deposited in the state general fund."

(b) in House Bill No. 174, [section 15] of the second reading second house copy is void; and

(c) in Senate Bill No. 200, [sections 1 and 26] of the enrolled bill, are void; and

(d) in House Bill No. 658, Senate Bill No. 184, Senate Bill No. 260, or Senate Bill No. 530, any section that contains a reimbursement mechanism for local government is void.

(3) If Senate Bill No. 260 and [this act] are both passed and approved, then [section 3] of Senate Bill No. 260, amending 61-3-509, must read as follows:

"Section 3. Section 61-3-509, MCA, is amended to read:

"61-3-509. Disposition of taxes. (1) Except as provided in subsection (2), the county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521, 61-3-527, 61-3-529, and 61-3-537, to a motor vehicle suspense fund. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund. ~~Except for taxes collected under 61-3-504, the county treasurer shall distribute the money in the fund~~ in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed. ~~For money in the fund collected under 61-3-504, the county treasurer shall disregard the statewide mills levied for the university system and the mills levied for state equalization aid under 20-9-360 in determining distribution proportions of the money and may not distribute money from 61-3-504 to the state for either levy. If the distribution of money collected under 61-3-504 to a school district general fund results in a lower revenue than the district received in fiscal year 1999 and the district has, for all years after fiscal year 1999, received less revenue than fiscal year 1999, then the district general fund is entitled to state reimbursement for the amount of the difference between the fiscal year 1999 revenue and the current year distributions of collections under 61-3-504.~~

(2) The county treasurer shall deduct as a district court fee ~~7%~~ 10% of the amount of the ~~2%~~

tax collected on light vehicles under 61-3-504(1). The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the state special revenue fund to be used for purposes of state funding of district court expenses as provided in 3-5-901.""

(4) If House Bill No. 90 and Senate Bill No. 260 are passed and approved and amend 20-9-141, then section 20-9-141 must read as follows:

"Section 20-9-141, MCA is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

(ii) ~~amounts received in the last fiscal year for which revenue reporting was required for each of the following:~~

~~(A)~~ anticipated tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323, except the amount of tuition received for a pupil who is a child with disabilities in excess of the amount received for a pupil without disabilities, as calculated under 20-5-323(2);

~~(B)~~(iii) anticipated revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527, 61-3-529, 61-3-537, and 67-3-204;

~~(C)~~(iv) anticipated oil and natural gas production taxes;

(v) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703;

~~(D)~~(vi) anticipated interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4);

~~(E)~~ (vii) anticipated revenue from corporation license taxes collected from financial institutions under the provisions of 15-31-702; and

~~(F)~~ (viii) any other revenue ~~received~~ anticipated during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid~~; and~~

~~(iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703~~.

(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general fund BASE budget levy requirement.

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the current total taxable valuation of the district, as certified by the department of revenue under 15-10-202, divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the general fund net levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) For each school district, the department of revenue shall calculate and report to the county superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross proceeds under 15-23-703.""

NEW SECTION. **Section 5. Allocation of reimbursement.** There is allocated $80 million from the general fund to the department of revenue for reimbursement to taxing jurisdictions as provided in [section 1].

NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 1, part 1, and the provisions of Title 15, chapter 1, part 1, apply to [section 1].

NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 1999.

- END -

SENATE TAXATION
DATE 4/17/99
EXHIBIT NO. 7
BILL NO. SB 184/678

HB678 tax base reduction reimbursement formu

Requested by Senator Glaser.

His goals and direction to us.

① Straight reimbursement based on tax base lost as compared ~~to~~ to tax year 1998

② Total dollar amount of the reimbursement is at the discretion of the legislature

③ Reimbursement would end when "tax capacity was regained in a taxing jurisdiction.

④ Minimize shifting of tax burdens

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SENATE TAXATION
DATE 4/17/99
EXHIBIT NO. 8
BILL NO. SB 184

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

April 17,1999

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Beaverhead	E	Grant Elem	0003	356.15	101.00	93.31	55.91	64.36	34.29	6.28	924,788	(10,306)	(87,339)	827,139	(0.79)	(3.00)	6.60	1.05	3.87
Beaverhead	E	Dillon Elem	0005	439.70	101.00	112.76	111.20	74.23	34.29	6.28	11,633,877	(309,705)	(1,456,482)	9,868,690	(7.50)	(3.00)	19.89	3.08	12.48
Beaverhead	E	Wise River Elem	0007	387.42	101.00	110.62	49.91	85.32	34.29	6.28	710,193	(43,101)	(70,525)	596,567	(9.18)	(3.00)	9.61	7.15	5.48
Beaverhead	C	Lima Schools	0009	399.72	101.00	102.61	101.39	54.15	34.29	6.28	1,882,867	(42,657)	(150,673)	1,689,537	(15.57)	(3.00)	11.60	2.36	(4.59)
Beaverhead	E	Wisdom Elem	0010	391.40	101.00	90.04	99.00	60.79	34.29	6.28	1,129,814	(20,045)	(147,163)	962,606	2.18	(3.00)	17.20	1.63	18.01
Beaverhead	E	Polaris Elem	0012	342.95	101.00	88.26	49.45	63.67	34.29	6.28	534,270	(19,103)	(48,234)	466,933	0.02	(3.00)	7.13	3.27	7.43
Beaverhead	E	Reichle Elem	0015	412.41	101.00	91.48	114.61	64.75	34.29	6.28	651,466	(15,907)	(61,803)	573,776	(5.18)	(3.00)	9.21	2.20	3.24
Big Horn	E	Squirrel Creek Elem	0020	189.12	101.00	41.15	27.48	2.92	11.88	4.69	400,821	(5,543)	(46,545)	348,733	(8.17)	(3.00)	17.12	1.28	7.23
Big Horn	E	Pryor Elem	0021	263.92	101.00	41.15	24.84	80.56	11.88	4.69	8,502,056	(246,967)	(2,806,324)	5,449,765	(0.96)	(1.12)	15.39	1.23	14.53
Big Horn	E	Community Elem	0022	227.42	101.00	45.16	43.80	20.90	11.88	4.69	730,275	(11,350)	(45,472)	673,453	(12.48)	(1.12)	2.06	0.65	(10.87)
Big Horn	E	Hardin Elem	0023	314.17	101.00	84.86	82.62	49.11	11.88	4.69	1,531,020	(18,265)	(102,609)	1,410,146	(0.41)	(1.12)	3.75	0.56	2.77
Big Horn	E	Lodge Grass Elem	0025	297.25	101.00	63.17	41.49	85.02	11.88	4.69	12,517,045	(501,089)	(1,731,859)	10,284,097	(8.68)	(1.12)	17.94	2.70	10.84
Big Horn	E	Wyola Elem	0026	274.93	101.00	43.36	30.72	83.28	11.88	4.69	1,771,495	(37,646)	(240,920)	1,493,029	(11.89)	(1.12)	7.74	1.15	(4.11)
Blaine	E	Chinook Elem	0028	388.79	101.00	156.47	94.90	36.42	-	1.00	1,068,960	(14,687)	(157,925)	894,348	(9.54)	(1.12)	6.93	0.61	(4.12)
Blaine	E	Harlem Elem	0030	385.52	101.00	168.67	32.59	82.26	-	1.00	4,150,331	(350,680)	(303,119)	3,496,532	(5.62)	0.91	17.74	14.35	27.39
Blaine	E	Cleveland Elem	0032	275.23	101.00	120.62	13.34	39.27	-	1.00	2,724,697	(156,233)	(297,260)	2,271,204	(11.86)	0.91	6.51	10.26	5.82
Blaine	E	Zurich Elem	0034	267.87	101.00	120.62	32.91	12.35	-	1.00	1,022,472	(31,998)	(112,472)	878,002	(3.58)	0.91	2.20	3.90	3.13
Blaine	E	Lloyd Elem	0036	258.02	101.00	120.62	13.44	21.96	-	1.00	1,174,409	(19,107)	(65,353)	1,089,949	(2.32)	0.91	5.14	4.66	7.39
Blaine	E	Turner Elem	0044	366.54	101.00	120.62	76.88	67.04	-	1.00	1,901,950	(92,423)	(194,320)	1,615,207	(7.85)	0.91	13.65	6.16	12.87
Blaine	E	Beer Paw Elem	0048	259.11	101.00	120.62	13.43	23.06	-	1.00	1,310,666	(17,922)	(48,406)	1,244,336	(2.74)	0.91	0.72	1.87	0.56
Broadwater	C	Townsend Schools	0055	336.22	101.00	110.68	20.89	78.64	25.00	2.00	10,851,778	(274,542)	(1,483,895)	9,093,341	(13.25)	(1.84)	4.04	2.67	(8.17)
Carbon	E	Red Lodge Elem	0058	386.80	101.00	127.44	56.28	72.18	26.50	4.40	8,044,681	(54,916)	(371,747)	7,618,018	(9.95)	(1.02)	3.10	0.88	(7.00)
Carbon	C	Bridger Schools	0059	329.22	101.00	91.45	43.39	62.48	26.50	4.40	5,795,850	(5,791)	(235,972)	5,554,087	(7.85)	(1.02)	1.89	0.09	(5.92)
Carbon	E	Joliet Elem	0060	394.92	101.00	96.78	89.62	76.62	26.50	4.40	2,618,496	(17,222)	(251,697)	2,349,579	(9.75)	(1.02)	10.28	0.84	0.12
Carbon	E	Jackson Elem	0063	324.23	101.00	85.86	53.96	52.72	26.50	4.40	226,338	(1,269)	(18,819)	206,247	(9.26)	(1.02)	5.25	0.48	(4.55)
Carbon	E	Luther Elem	0064	316.41	101.00	85.84	16.81	82.06	26.50	4.40	969,155	(7,831)	(140,326)	820,998	(7.14)	(1.02)	3.00	0.70	(4.47)
Carbon	C	Roberts Schools	0069	343.66	101.00	98.13	36.55	77.08	26.50	4.40	1,213,997	(9,296)	(123,731)	1,080,970	(22.53)	(1.02)	4.50	0.76	(18.30)
Carbon	E	Boyd Elem	0070	324.29	101.00	85.84	36.36	58.37	26.50	4.40	458,280	(4,331)	(41,140)	412,809	(8.07)	(1.02)	4.23	0.82	(4.05)
Carbon	E	Fromberg Elem	0071	384.61	101.00	107.22	68.85	76.54	26.50	4.40	1,178,362	(6,813)	(115,968)	1,053,581	(11.78)	(1.02)	8.02	0.82	(4.16)
Carbon	E	Edgar Elem	0073	291.12	101.00	86.45	29.22	43.66	26.50	4.40	2,339,741	(2,484)	(90,844)	2,246,413	(4.39)	(1.02)	1.21	0.09	(4.11)
Carbon	C	Belfry Schools	0076	359.00	101.00	93.65	105.43	28.02	26.50	4.40	1,466,030	(4,622)	(137,572)	1,323,836	(8.98)	(1.02)	11.32	0.30	1.61
Carter	E	Hammond-Hawks H	0078	264.37	101.00	101.58	19.28	22.93	12.47	7.11	918,317	(7,508)	(57,846)	850,963	0.38	0.35	1.48	0.84	3.05
Carter	E	Johnston Elem	0083	290.34	101.00	101.58	43.96	24.23	12.47	7.11	371,288	(6,354)	(49,521)	315,413	(0.16)	0.35	7.79	1.77	9.75
Carter	E	Albion Elem	0085	287.84	101.00	101.58	24.23	41.45	12.47	7.11	562,808	(8,190)	(67,167)	487,451	3.01	0.35	3.76	1.50	8.61
Carter	E	Coal Creek-Plevna	0086	278.55	101.00	101.58	23.81	32.58	12.47	7.11	439,139	(7,629)	(55,494)	378,016	1.23	0.35	4.00	1.80	7.37
Carter	E	Ekalaka Elem	0087	368.36	101.00	120.72	72.15	54.91	12.47	7.11	1,996,917	(88,239)	(230,787)	1,679,891	(2.77)	0.35	13.62	5.45	16.65
Carter	E	Ridge Elem	0090	288.10	101.00	101.58	17.62	48.32	12.47	7.11	212,009	(2,720)	(18,689)	190,600	(2.30)	0.35	1.98	1.32	1.35
Carter	E	Alzada Elem	0096	262.96	101.00	101.58	18.48	22.34	12.47	7.11	4,758,714	(4,155)	(123,817)	4,630,942	0.78	0.35	0.51	0.09	1.71
Cascade	E	Great Falls Elem	0098	468.95	101.00	163.10	93.99	76.03	30.29	4.54	97,696,389	(6,341,160)	(212,839)	89,142,390	(10.90)	(3.02)	9.02	15.22	10.32
Cascade	E	Cascade Elem	0101	365.51	101.00	117.58	28.92	85.18	30.29	4.54	4,600,893	(358,737)	(388,353)	3,853,803	(9.05)	(3.02)	5.22	9.94	3.09
Cascade	E	Centerville Elem	0104	454.06	101.00	108.49	129.72	80.02	30.29	4.54	1,991,715	(176,960)	(91,347)	1,723,408	(11.20)	(3.02)	20.20	10.58	16.56
Cascade	E	Belt Elem	0112	401.31	101.00	119.01	69.01	77.47	30.29	4.54	7,303,409	(387,186)	796,275	7,712,498	(14.17)	(3.02)	(3.66)	6.66	(14.19)
Cascade	E	Vaughn Elem	0127	491.50	101.00	108.49	171.83	75.35	30.29	4.54	1,641,678	(102,401)	(121,054)	1,418,121	(10.47)	(3.02)	27.06	7.22	20.80
Cascade	E	Ulm Elem	0131	378.43	101.00	108.49	57.27	74.84	30.29	4.54	1,131,344	(65,626)	(129,513)	916,205	(9.87)	(3.02)	13.45	8.88	9.44
Chouteau	E	Fort Benton Elem	0133	423.95	101.00	139.97	80.21	70.33	25.60	6.84	5,527,446	(394,789)	(526,148)	4,606,509	(7.03)	-	16.04	10.77	19.77
Chouteau	E	Loma Elem	0135	285.40	101.00	106.22	23.73	23.01	25.60	6.84	2,091,773	(75,335)	(284,245)	1,732,193	0.49	-	4.93	3.93	9.35

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Chouteau	E	Big Sandy Elem	0137	352.58	101.00	102.91	62.22	54.01	25.60	6.84	7,215,711	(360,915)	(637,062)	8,217,734	4.91	-	9.99	5.42	20.31
Chouteau	E	Warrick Elem	0144	309.58	101.00	98.26	41.99	35.89	25.60	6.84	530,092	(7,842)	(15,285)	507,165	(4.36)	-	1.90	1.44	(1.05)
Chouteau	E	Highwood Elem	0145	484.76	101.00	109.17	178.31	63.83	25.60	6.84	1,780,068	(119,857)	(179,754)	1,480,457	(4.29)	-	36.09	7.88	39.68
Chouteau	E	Geraldine Elem	0153	327.93	101.00	110.06	62.09	32.32	25.60	6.84	6,655,643	(208,861)	(617,487)	5,829,495	2.45	-	7.38	3.56	13.40
Chouteau	E	Carter Elem	0159	314.96	101.00	108.50	38.80	34.44	25.60	6.84	1,363,377	(72,433)	(128,593)	1,162,351	(2.19)	-	8.68	6.09	10.58
Chouteau	E	Knees Elem	0161	300.13	101.00	108.50	27.66	30.53	25.60	6.84	1,669,076	(83,724)	(310,893)	1,274,458	(1.41)	-	8.56	5.73	12.89
Chouteau	E	Benton Lake Elem	0171	314.42	101.00	103.81	33.50	43.67	25.60	6.84	1,068,337	(58,273)	(90,341)	939,723	(0.78)	-	5.30	5.87	10.39
Custer	E	Miles City Elem	0172	567.22	101.00	237.26	115.22	73.97	26.80	2.97	10,061,467	(924,839)	(956,255)	8,181,373	(9.61)	(2.53)	28.48	24.02	38.36
Custer	E	Kircher Elem	0173	363.50	101.00	159.57	20.34	52.82	26.80	2.97	2,273,617	(59,100)	(285,843)	1,928,874	(2.18)	(2.53)	3.64	4.26	3.19
Custer	E	Trail Creek Elem	0177	380.44	101.00	159.57	17.14	72.96	26.80	2.97	407,589	2,078	(48,949)	360,718	(6.83)	(2.53)	2.23	(0.81)	(9.74)
Custer	E	Hooker-Basin Spr C	0178	369.64	101.00	172.89	22.99	43.00	26.80	2.97	679,634	242	(71,372)	606,504	(2.48)	(2.53)	2.69	(0.06)	(2.36)
Custer	E	Cottonwood Elem	0182	350.80	101.00	159.57	17.21	43.05	26.80	2.97	687,980	567	(63,722)	624,825	(6.67)	(2.53)	1.74	(0.13)	(8.79)
Custer	E	Moon Creek Elem	0184	355.81	101.00	159.57	24.87	40.60	26.80	2.97	1,011,685	1,713	(113,402)	899,996	(3.55)	(2.53)	3.09	(0.27)	(3.27)
Custer	E	Kinsey Elem	0187	417.64	101.00	159.57	48.87	78.33	26.80	2.97	854,648	(21,398)	(92,581)	740,669	(8.43)	(2.53)	7.52	4.10	0.66
Custer	E	Twin Buttes Elem	0188	337.56	101.00	156.79	12.47	37.52	26.80	2.97	893,508	308	(80,324)	813,492	(2.70)	(2.53)	1.23	(0.06)	(4.05)
Custer	E	S Y Elem	0189	377.46	101.00	159.57	17.13	69.99	26.80	2.97	430,851	3,370	(51,300)	382,921	(0.32)	(2.53)	2.14	(1.24)	(1.84)
Custer	E	S H-Foster Creek El	0190	356.72	101.00	159.57	20.01	46.37	26.80	2.97	397,922	3,798	(44,376)	357,344	(3.88)	(2.53)	2.27	(1.51)	(5.64)
Daniels	C	Scobey Schools	0194	476.56	101.00	137.94	136.68	56.64	30.40	13.90	3,429,418	(297,866)	(388,578)	2,742,974	(11.75)	(5.44)	34.20	13.12	30.14
Daniels	C	Peerless Schools	0196	419.04	101.00	118.69	155.05	-	30.40	13.90	1,018,289	(63,185)	(154,189)	800,915	-	(5.44)	42.08	7.85	44.50
Daniels	C	Flaxville Schools	0200	407.00	101.00	116.67	110.85	34.18	30.40	13.90	1,555,559	(90,578)	(193,917)	1,271,084	(5.31)	(5.44)	24.81	7.21	21.27
Dawson	E	Glendive Elem	0206	592.94	101.00	260.43	123.80	69.23	33.08	5.40	10,309,519	(702,244)	(1,123,818)	8,483,457	(8.00)	(3.60)	26.65	19.04	34.09
Dawson	E	Bloomfield Elem	0215	347.20	101.00	137.58	41.87	28.27	33.08	5.40	1,002,872	(26,063)	(148,677)	828,132	(3.18)	(3.60)	8.63	3.87	5.73
Dawson	E	Lindsay Elem	0216	402.26	101.00	196.17	31.99	34.62	33.08	5.40	2,398,930	(59,013)	(301,688)	2,038,229	(2.65)	(3.60)	5.66	4.95	4.34
Dawson	E	Richey Elem	0227	412.26	101.00	133.70	77.67	61.42	33.08	5.40	1,896,567	(69,948)	(193,771)	1,632,848	(5.32)	(3.60)	12.54	5.12	8.74
Deer Lodge	E	Anaconda Elem	0236	536.32	101.00	220.33	115.93	67.08	24.82	6.16	9,508,876	(286,377)	(586,436)	8,656,063	(9.61)	(1.85)	11.42	6.84	6.80
Fallon	C	Baker Schools	0244	226.88	101.00	80.55	40.46	-	-	6.67	8,809,557	(372,442)	(1,207,623)	7,229,492	-	-	8.84	3.56	12.40
Fallon	C	Plevna Schools	0256	276.26	101.00	80.78	107.61	-	-	6.67	3,292,352	(67,444)	(283,295)	2,941,613	(2.65)	-	12.85	1.27	11.48
Fergus	E	Lewistown Elem	0258	498.42	101.00	184.00	124.80	76.16	33.40	9.06	9,647,702	(574,574)	(744,960)	8,328,168	(9.96)	(2.91)	19.77	9.75	16.66
Fergus	N	Malden Elem	0260	295.18	101.00	81.81	38.96	30.95	33.40	9.06	1,438,358	-	(256,342)	1,182,016	(4.25)	(2.91)	8.45	-	1.29
Fergus	E	Deerfield Elem	0264	342.16	101.00	81.44	74.14	43.12	33.40	9.06	158,888	(4,033)	(28,207)	126,648	(5.48)	(2.91)	18.87	2.12	12.61
Fergus	N	Cottonwood Elem	0265	425.36	101.00	80.94	170.01	30.95	33.40	9.06	157,992	-	(4,684)	153,308	(4.25)	(2.91)	5.19	-	(1.97)
Fergus	E	Grass Range Elem	0268	363.20	101.00	86.88	70.93	61.93	33.40	9.06	1,553,689	(35,455)	(159,283)	1,358,951	(6.41)	(2.91)	10.16	2.03	0.88
Fergus	E	King Colony Elem	0272	319.13	101.00	88.46	38.96	48.26	33.40	9.06	851,465	(17,414)	(72,251)	761,800	(3.24)	(2.91)	4.59	1.85	0.28
Fergus	E	Moore Elem	0273	346.91	101.00	83.62	64.76	55.05	33.40	9.06	3,166,881	(49,460)	(271,417)	2,846,004	(0.85)	(2.91)	7.30	1.33	4.87
Fergus	C	Roy Schools	0280	367.72	101.00	84.88	77.57	61.81	33.40	9.06	1,096,212	(30,826)	(102,712)	962,674	(16.64)	(2.91)	10.78	2.46	(6.33)
Fergus	E	Denton Elem	0281	373.40	101.00	94.59	77.19	58.16	33.40	9.06	3,620,222	(78,808)	(330,058)	3,211,356	(6.18)	(2.91)	9.83	2.11	2.85
Fergus	E	Spring Creek Colony	0288	346.39	101.00	89.44	38.96	74.53	33.40	9.06	106,131	(2,228)	(20,419)	83,484	(9.82)	(2.91)	10.57	1.92	(0.24)
Fergus	C	Winifred Schools	0291	372.86	101.00	82.67	84.10	62.63	33.40	9.06	1,740,453	(51,557)	(213,242)	1,475,854	(15.20)	(2.91)	15.09	2.52	(0.49)
Flathead	E	Deer Park Elem	0307	412.01	101.00	123.04	79.19	75.83	29.65	3.30	964,078	(96,585)	(33,512)	833,979	(10.96)	(3.74)	12.35	13.70	11.33
Flathead	E	Fair-Mont-Egan Ele	0308	390.02	101.00	121.37	53.95	80.75	29.65	3.30	1,607,639	(142,659)	(121,093)	1,343,687	(10.38)	(3.74)	10.60	11.84	8.31
Flathead	E	Swan River Elem	0309	387.54	101.00	118.44	38.22	76.93	29.65	3.30	3,181,520	(356,674)	(89,963)	2,734,893	(9.89)	(3.74)	6.24	14.96	7.76
Flathead	E	Kalispell Elem	0310	488.52	101.00	166.52	111.32	76.73	29.65	3.30	40,417,170	(3,501,413)	(3,148,576)	33,767,181	(8.12)	(3.74)	21.92	15.79	25.88
Flathead	E	Columbia Falls Elem	0312	363.72	101.00	121.52	31.03	77.22	29.65	3.30	24,572,445	(1,735,227)	(2,559,001)	20,278,217	(8.75)	(3.74)	6.57	9.23	3.31
Flathead	E	Creston Elem	0316	408.41	101.00	117.47	84.13	70.88	29.65	3.30	1,523,332	(155,646)	(66,517)	1,301,169	(7.48)	(3.74)	14.36	13.37	16.51
Flathead	E	Cayuse Prairie Elem	0317	384.83	101.00	105.86	64.83	80.19	29.65	3.30	2,794,738	(308,897)	(63,804)	2,422,037	(10.13)	(3.74)	9.96	13.15	9.28
Flathead	E	Helena Flats Elem	0320	427.31	101.00	112.60	103.73	77.03	29.65	3.30	1,668,521	(153,703)	(111,299)	1,403,519	(9.53)	(3.74)	19.59	11.43	17.74
Flathead	E	Kila Elem	0323	359.16	101.00	105.86	43.16	76.19	29.65	3.30	2,191,762	(141,017)	(111,988)	1,938,757	(9.84)	(3.74)	5.83	7.28	(0.67)

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Flathead	E	Smith Valley Elem	0324	383.16	101.00	106.86	63.38	79.95	29.65	3.30	1,480,710	(138,775)	(64,711)	1,277,224	(10.04)	(3.74)	10.10	10.96	7.27
Flathead	E	Pleasant Valley Ele	0325	347.88	101.00	105.86	47.79	60.28	29.65	3.30	416,300	5,734	(7,493)	416,541	(4.74)	(3.74)	0.20	(1.43)	(9.72)
Flathead	E	Somers Elem	0327	380.34	101.00	106.01	64.69	75.70	29.65	3.30	11,888,794	(1,168,411)	(411,724)	10,308,659	(9.03)	(3.74)	9.92	11.55	8.70
Flathead	E	Bigfork Elem	0330	348.16	101.00	104.49	35.01	74.71	29.65	3.30	17,716,389	(1,423,715)	(664,303)	15,628,371	(6.91)	(3.74)	4.68	9.13	3.16
Flathead	E	Whitefish Elem	0334	375.82	101.00	124.23	41.43	76.21	29.65	3.30	28,013,529	(2,743,008)	(1,095,899)	24,174,622	(8.94)	(3.74)	6.58	13.46	7.36
Flathead	E	Evergreen Elem	0339	421.16	101.00	113.00	93.82	80.39	29.65	3.30	8,060,146	(545,667)	(1,199,591)	6,314,888	(8.29)	(3.74)	25.93	8.21	22.10
Flathead	E	Marion Elem	0341	363.54	101.00	105.86	49.09	74.84	29.65	3.30	2,713,973	(192,389)	(174,271)	2,347,313	(6.68)	(3.74)	7.67	8.08	3.32
Flathead	E	Olney-Bissell Elem	0342	371.63	101.00	105.86	55.46	76.35	29.65	3.30	1,909,212	(130,159)	(177,338)	1,601,715	(6.40)	(3.74)	10.65	7.75	5.25
Gallatin	E	Manhattan Elem	0347	396.46	101.00	95.31	96.41	75.74	24.50	3.50	3,470,745	(117,774)	(245,633)	3,107,338	(10.37)	(1.52)	11.16	3.35	2.62
Gallatin	E	Bozeman Elem	0360	436.16	101.00	146.76	86.21	71.18	24.50	3.50	62,361,242	(1,452,269)	(3,583,258)	57,315,715	(8.74)	(1.52)	7.57	3.57	0.88
Gallatin	E	Willow Creek Elem	0364	332.32	101.00	76.32	41.33	85.67	24.50	3.50	1,536,140	(10,771)	(281,045)	1,244,324	(8.30)	(1.52)	9.69	0.54	2.41
Gallatin	E	Springhill Elem	0357	407.34	101.00	76.37	141.03	61.94	24.50	3.50	327,071	(15,483)	(29,636)	281,952	(7.58)	(1.52)	22.57	3.75	17.23
Gallatin	E	Cottonwood Elem	0369	296.65	101.00	76.37	18.97	73.31	24.50	3.50	346,108	(17,482)	(19,156)	309,470	(6.65)	(1.52)	2.25	4.02	(1.90)
Broadwater	E	Three Forks Elem	0360	334.06	101.00	92.00	41.06	73.01	25.00	2.00	7,869,905	(82,284)	(1,513,441)	6,074,200	(4.72)	(1.84)	10.79	1.00	6.22
Gallatin	E	Pass Creek Elem	0362	331.24	101.00	76.37	52.28	74.59	24.50	3.50	591,263	6,820	(56,198)	542,885	(7.62)	(1.52)	4.66	(0.86)	(5.56)
Gallatin	E	Monforton Elem	0363	361.99	101.00	76.37	78.35	69.27	24.50	3.50	3,000,383	(58,425)	(187,221)	2,754,737	(9.35)	(1.52)	6.99	1.50	(2.42)
Gallatin	E	Gallatin Gateway Ele	0364	323.51	101.00	76.37	47.06	72.06	24.50	3.50	2,975,737	(99,340)	(189,323)	2,687,074	(8.75)	(1.52)	5.06	2.60	(2.81)
Gallatin	E	Anderson Elem	0368	372.02	101.00	76.37	93.49	74.16	24.50	3.50	1,680,657	(114,467)	(29,798)	1,536,392	(10.16)	(1.52)	6.78	5.61	2.60
Gallatin	E	La Motte Elem	0367	309.62	101.00	76.37	25.58	79.67	24.50	3.50	1,327,540	(51,869)	(60,430)	1,215,441	(9.41)	(1.52)	2.36	3.05	(5.52)
Gallatin	E	Belgrade Elem	0368	440.06	101.00	97.69	138.58	74.78	24.50	3.50	15,566,191	(410,500)	(1,137,986)	14,017,705	(9.80)	(1.52)	15.31	2.65	6.83
Gallatin	E	Malmborg Elem	0370	287.28	101.00	76.37	34.66	48.23	24.50	3.50	695,397	(11,906)	(148,293)	535,198	1.46	(1.52)	10.37	1.31	11.62
Gallatin	C	West Yellowstone S	0374	347.84	101.00	90.38	75.55	62.91	24.50	3.50	6,459,108	(22,745)	(532,044)	5,904,319	(2.90)	(1.52)	7.10	0.32	3.00
Gallatin	E	Ophir Elem	0375	313.86	101.00	76.37	64.67	44.82	24.50	3.50	7,603,136	(331,051)	(106,950)	7,163,135	(2.87)	(1.52)	3.97	3.43	3.01
Gallatin	E	Amsterdam Elem	0376	359.91	101.00	76.37	84.84	70.70	24.50	3.50	2,473,574	(88,133)	(242,743)	2,142,698	(8.81)	(1.52)	13.10	2.78	7.56
Garfield	E	Jordan Elem	0377	399.95	101.00	155.30	52.57	55.02	19.62	16.44	1,792,024	(89,947)	(188,336)	1,513,741	(6.23)	0.76	9.66	8.21	12.41
Garfield	E	Big Dry Creek Elem	0380	345.19	101.00	148.96	14.85	44.30	19.62	16.44	419,660	(6,703)	(34,408)	378,549	(0.79)	0.76	1.61	2.42	4.00
Garfield	E	Van Norman Elem	0382	350.37	101.00	148.96	42.81	21.52	19.62	16.44	436,112	(10,883)	(40,106)	387,123	(2.55)	0.76	5.64	3.80	7.65
Garfield	E	Pine Grove Elem	0385	346.06	101.00	148.96	9.93	49.09	19.62	16.44	425,171	(15,910)	(40,248)	369,013	0.93	0.76	1.51	5.79	9.00
Garfield	E	Kester Elem	0386	343.64	101.00	148.96	12.22	45.38	19.62	16.44	407,115	(21,197)	(28,379)	357,539	(0.56)	0.76	1.69	8.16	9.96
Garfield	E	Cohagen Elem	0387	336.22	101.00	148.96	11.65	37.53	19.62	16.44	936,936	(17,234)	(108,094)	811,608	(0.85)	0.76	1.60	2.79	4.47
Garfield	E	Benzien Elem	0388	354.78	101.00	148.96	9.93	58.81	19.62	16.44	183,714	(2,198)	(13,813)	167,703	(7.76)	0.76	0.95	1.80	(4.24)
Garfield	E	Sand Springs Elem	0392	359.66	101.00	148.96	9.93	63.69	19.62	16.44	448,987	(4,845)	(46,447)	397,695	0.53	0.76	1.28	1.63	4.20
Garfield	E	Ross Elem	0394	363.46	101.00	148.96	9.93	67.49	19.62	16.44	78,514	(1,655)	(10,560)	66,299	(8.42)	0.76	1.83	3.21	(2.62)
Glacier	E	Browning Elem	0400	487.51	101.00	116.97	148.26	86.56	26.03	8.69	5,644,113	(225,102)	(446,996)	4,972,015	(12.42)	(2.26)	20.04	4.86	10.23
Glacier	E	Cut Bank Elem	0402	402.40	101.00	131.31	76.23	59.14	26.03	8.69	13,833,890	(589,351)	(1,049,795)	12,194,744	(6.76)	(2.26)	10.25	5.84	7.07
Glacier	E	East Glacier Park El	0404	431.33	101.00	113.80	101.67	80.14	26.03	8.69	1,585,961	(84,965)	(187,843)	1,313,153	(6.94)	(2.26)	21.12	6.44	16.37
Golden Valley	C	Ryegate Schools	0407	289.63	101.00	59.30	57.24	44.34	23.12	4.83	4,188,668	(42,546)	(211,016)	3,915,106	(6.60)	0.48	3.71	0.61	(1.80)
Golden Valley	C	Lavina Schools	0411	355.85	101.00	60.88	99.06	66.96	23.12	4.83	2,032,637	(27,248)	(101,472)	1,903,917	(20.53)	0.48	6.70	0.82	(12.53)
Granite	C	Philipsburg Schools	0416	374.42	101.00	119.58	84.26	67.48	27.57	4.55	4,562,188	14,132	(425,714)	4,150,606	(14.78)	0.97	5.38	(0.37)	(8.80)
Granite	E	Hall Elem	0418	314.20	101.00	104.48	36.37	40.25	27.57	4.55	1,171,523	7,222	(125,257)	1,053,488	(2.48)	0.97	4.07	(0.64)	1.93
Granite	E	Drummond Elem	0419	372.29	101.00	111.88	70.82	66.67	27.57	4.55	3,632,724	21,124	(387,519)	3,266,329	(6.58)	0.97	7.92	(0.65)	1.66
Hill	E	Davey Elem	0424	287.63	101.00	101.06	25.87	22.66	30.96	6.09	297,835	(9,130)	(20,157)	268,548	(3.24)	(3.17)	2.82	3.20	(0.36)
Hill	E	Box Elder Elem	0425	411.91	101.00	104.24	86.44	83.18	30.96	6.09	1,183,684	(45,775)	(86,743)	1,051,156	(12.46)	(3.17)	10.30	4.19	(0.54)
Hill	E	Havre Elem	0427	460.23	101.00	153.07	116.45	62.66	30.96	6.09	18,566,703	(1,570,134)	(1,203,584)	15,781,985	(6.96)	(3.17)	20.47	14.15	24.80
Hill	E	Cottonwood Elem	0446	297.41	101.00	105.02	31.23	23.11	30.96	6.09	3,020,070	(120,067)	(267,455)	2,632,548	(3.16)	(3.17)	4.60	4.35	2.63
Jefferson	E	Clancy Elem	0452	327.91	101.00	72.99	60.79	69.54	19.01	4.58	7,552,817	(248,509)	(1,254,912)	6,049,396	(4.72)	(1.30)	15.11	2.48	11.57
Jefferson	E	Whitehall Elem	0453	333.46	101.00	93.84	39.54	75.69	19.01	4.58	4,791,678	(204,945)	(378,843)	4,207,890	(8.97)	(1.30)	5.49	4.18	(0.60)

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Jefferson	E	Basin Elem	0455	283.99	101.00	91.51	4.70	63.09	19.01	4.58	1,091,331	(13,610)	(47,818)	1,029,903	(2.87)	(1.30)	0.28	1.16	(2.74)
Jefferson	E	Boulder Elem	0456	392.04	101.00	102.58	86.30	78.57	19.01	4.58	3,062,777	(69,896)	(160,017)	2,792,864	(8.88)	(1.30)	8.34	3.10	1.28
Jefferson	E	Cardwell Elem	0458	254.27	101.00	75.01	17.76	36.91	19.01	4.58	5,056,140	(31,094)	(911,470)	4,113,576	(1.10)	(1.30)	4.07	0.46	2.13
Jefferson	E	Montana City Elem	0460	372.43	101.00	84.56	92.00	71.28	19.01	4.58	3,671,472	(211,397)	(530,436)	2,929,639	(7.05)	(1.30)	23.30	5.17	20.11
Judith Basin	C	Stanford Schools	0464	305.96	101.00	90.73	38.32	58.88	12.05	5.00	5,251,652	(136,518)	(574,624)	4,540,510	1.38	0.34	6.00	2.42	10.14
Judith Basin	C	Hobson Schools	0469	307.84	101.00	86.26	39.37	64.16	12.05	5.00	4,995,912	(123,200)	(444,853)	4,427,859	0.37	0.34	5.05	2.18	7.94
Judith Basin	E	Raynesford Elem	0471	298.67	101.00	88.79	45.84	48.99	12.05	5.00	836,405	(21,661)	(48,854)	766,090	(2.41)	0.34	4.21	2.36	4.50
Judith Basin	E	Geyser Elem	0472	347.38	101.00	88.79	67.85	72.70	12.05	5.00	1,947,393	(44,605)	(151,040)	1,751,748	(8.73)	0.34	7.58	2.08	1.27
Lake	E	Arlee Elem	0474	362.17	101.00	102.26	39.92	77.38	33.97	7.64	2,214,105	(57,820)	(256,074)	1,900,411	(12.00)	(3.03)	6.59	2.73	(5.71)
Lake	E	Polson Elem	0477	371.58	101.00	103.88	44.87	80.22	33.97	7.64	21,960,187	(858,289)	(222,807)	20,888,071	(11.76)	(3.03)	2.32	4.23	(8.24)
Lake	C	St Ignatius Schools	0481	373.31	101.00	109.96	40.05	80.87	33.97	7.64	2,327,401	(73,906)	(180,125)	2,073,368	(25.12)	(3.03)	4.91	3.61	(19.64)
Lake	E	Valley View Elem	0483	331.01	101.00	96.24	27.85	74.32	33.97	7.64	315,897	(7,493)	(35,105)	273,299	(10.38)	(3.03)	4.34	2.10	(6.98)
Lake	E	Swan Lake-Salmon	0486	295.32	101.00	88.18	4.54	59.99	33.97	7.64	1,423,527	(20,253)	(56,528)	1,346,746	(2.53)	(3.03)	0.26	1.27	(4.03)
Lewis And Cla	E	Helena Elem	0487	477.60	101.00	141.07	131.33	70.46	31.24	2.50	61,331,411	(2,243,908)	(4,569,070)	54,518,433	(8.82)	(2.56)	16.41	8.36	10.80
Lewis And Cla	E	Kessler Elem	0489	449.18	101.00	96.92	139.99	78.53	31.24	2.50	4,259,770	(255,226)	(249,370)	3,755,174	(8.59)	(2.56)	18.81	8.11	13.78
Lewis And Cla	E	Trinity Elem	0491	383.61	101.00	89.99	128.89	29.99	31.24	2.50	2,266,601	(90,960)	(134,163)	2,040,488	(3.19)	(2.56)	14.22	3.76	12.24
Lewis And Cla	E	East Helena Elem	0492	439.77	101.00	110.59	114.65	79.79	31.24	2.50	11,706,781	(501,143)	(1,567,597)	9,638,041	(9.83)	(2.56)	24.61	4.96	17.36
Lewis And Cla	E	Wolf Creek Elem	0495	318.61	101.00	89.99	54.66	39.22	31.24	2.50	2,457,936	(38,021)	1,020,952	3,443,867	(8.60)	(2.56)	(15.65)	1.30	(23.51)
Lewis And Cla	E	Craig Elem	0497	324.20	101.00	89.99	57.19	42.28	31.24	2.50	1,479,814	(59,662)	532,604	1,962,756	(5.81)	(2.56)	(13.85)	3.78	(18.44)
Lewis And Cla	E	Auchard Creek Elem	0498	308.96	101.00	89.99	31.27	52.96	31.24	2.50	251,493	(1,966)	(18,506)	231,022	(8.40)	(2.56)	2.77	0.71	(7.48)
Lewis And Cla	E	Augusta Elem	0502	323.02	101.00	89.99	70.20	28.09	31.24	2.50	2,441,408	(42,925)	(163,410)	2,235,073	(4.87)	(2.56)	6.48	1.61	0.66
Liberty	E	Whitlash Elem	0506	291.15	101.00	96.57	28.92	42.50	13.80	8.36	373,529	(15,195)	(68,804)	289,530	(1.22)	0.90	8.39	4.10	12.18
Hill	C	J-I Schools	0508	425.88	101.00	96.37	138.97	52.49	30.96	6.09	3,655,709	(200,197)	(352,462)	3,103,050	1.20	(3.17)	24.75	5.58	28.36
Liberty	E	Chester Elem	0510	342.67	101.00	107.99	62.71	46.81	13.80	8.36	6,431,008	(404,054)	(621,348)	5,405,606	1.33	0.90	11.90	7.24	21.36
Lincoln	E	Troy Elem	0519	358.31	101.00	99.56	62.22	70.73	19.10	5.70	4,451,336	(150,477)	(709,906)	3,590,953	(8.21)	(2.09)	14.91	3.48	8.10
Lincoln	C	Libby Schools	0522	344.27	101.00	89.49	55.40	73.58	19.10	5.70	14,202,696	(510,720)	(1,300,987)	12,390,991	(17.86)	(2.09)	8.10	3.34	(8.53)
Lincoln	E	Eureka Elem	0527	359.17	101.00	91.71	70.18	71.46	19.10	5.70	6,323,340	(220,327)	(640,586)	5,462,427	(8.60)	(2.09)	11.06	3.31	3.88
Lincoln	E	Fortine Elem	0529	320.62	101.00	76.17	31.68	86.97	19.10	5.70	1,351,122	(47,405)	(162,277)	1,141,440	(9.45)	(2.09)	5.82	2.77	(2.95)
Lincoln	E	McCormick Elem	0530	290.44	101.00	82.55	18.43	63.66	19.10	5.70	401,892	(13,620)	(23,591)	364,681	(3.79)	(2.09)	1.88	2.90	(1.11)
Lincoln	E	Sylvanite Elem	0532	319.28	101.00	72.17	18.64	102.67	19.10	5.70	241,169	(12,999)	(11,003)	217,167	(11.03)	(2.09)	2.06	4.11	(8.94)
Lincoln	E	Yaak Elem	0533	292.19	101.00	72.17	33.63	60.59	19.10	5.70	424,364	(20,576)	(18,873)	384,905	(8.78)	(2.09)	3.45	3.68	(3.74)
Lincoln	E	Trego Elem	0534	323.75	101.00	76.17	43.56	78.22	19.10	5.70	1,098,208	(26,330)	(53,506)	1,018,372	(9.98)	(2.09)	3.41	1.87	(6.78)
Madison	E	Alder Elem	0536	326.25	101.00	89.81	55.94	54.44	21.04	4.02	1,390,878	(10,855)	(239,337)	1,140,686	(1.13)	0.84	12.27	0.71	12.89
Madison	E	Sheridan Elem	0537	458.06	101.00	103.89	157.58	70.73	21.04	4.02	2,485,755	(55,270)	(121,401)	2,308,084	(9.91)	0.84	12.06	2.38	5.35
Madison	C	Twin Bridges School	0540	367.09	101.00	88.79	74.31	77.93	21.04	4.02	4,702,757	(43,621)	(472,492)	4,186,644	(14.93)	0.84	9.16	0.83	(4.09)
Madison	C	Harrison Schools	0543	400.79	101.00	92.63	111.48	70.62	21.04	4.02	1,985,519	(18,745)	(191,595)	1,775,179	(20.25)	0.84	13.21	0.88	(5.32)
Madison	C	Ennis Schools	0546	312.65	101.00	95.66	48.26	42.67	21.04	4.02	15,995,921	(310,337)	(1,653,735)	14,031,849	8.86	0.84	6.76	1.89	18.35
McCone	E	Circle Elem	0547	407.44	101.00	147.22	68.81	59.74	22.40	8.27	4,879,836	(361,969)	(521,200)	3,996,667	(3.86)	1.26	15.21	11.80	24.40
McCone	E	Southview Elem	0562	331.07	101.00	128.33	43.39	27.68	22.40	8.27	857,182	(31,294)	(55,852)	670,016	(2.17)	1.26	8.53	6.42	12.14
McCone	E	Vida Elem	0566	328.22	101.00	128.33	38.55	29.67	22.40	8.27	1,939,895	(131,386)	(238,517)	1,569,992	(0.82)	1.26	9.08	9.32	19.05
Meagher	E	Lennep Elem	0568	275.19	101.00	95.91	24.16	35.87	18.48	1.77	2,183,839	(10,294)	(52,926)	2,120,619	(0.08)	0.74	0.72	0.45	1.84
Meagher	E	White Sulphur Spgs	0569	364.26	101.00	118.74	54.65	71.62	18.48	1.77	5,278,057	(122,600)	(581,590)	4,573,867	(2.22)	0.74	8.41	2.82	9.76
Meagher	E	Ringling Elem	0574	275.42	101.00	96.46	27.06	30.65	18.48	1.77	1,499,292	258	(51,647)	1,447,903	(0.32)	0.74	0.96	(0.02)	1.37
Mineral	C	Alberton Schools	0577	415.32	101.00	119.01	102.39	70.74	17.90	4.28	2,600,649	(49,810)	(137,032)	2,413,807	(20.39)	(2.98)	7.93	2.32	(13.12)
Mineral	C	Superior Schools	0579	416.60	101.00	100.22	118.33	74.87	17.90	4.28	3,745,084	(102,357)	(294,762)	3,347,965	(22.03)	(2.98)	14.04	2.82	(8.15)
Mineral	C	St Regis Schools	0582	388.62	101.00	91.20	98.98	75.26	17.90	4.28	3,518,300	(59,545)	(249,153)	3,207,602	(18.14)	(2.98)	9.53	1.57	(10.02)
Missoula	E	Missoula Elem	0583	560.24	101.00	225.39	128.53	72.10	29.91	3.31	85,991,169	(3,140,962)	(5,032,304)	77,817,903	(8.59)	(2.77)	13.50	8.54	10.69

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Stillwater	E	Rapelje Elem	0858	260.33	101.00	78.63	33.15	43.06	22.00	4.50	4,970,563	(27,831)	(234,117)	4,708,715	0.64	1.19	1.84	0.43	4.10
Carbon	E	Absarokee Elem	0861	336.96	101.00	79.42	53.88	71.76	26.50	4.40	6,471,531	(192,653)	(1,058,433)	5,220,445	(2.07)	(1.02)	12.91	2.44	12.25
Sweet Grass	E	Big Timber Elem	0865	420.06	101.00	127.97	79.73	71.30	33.19	6.87	4,930,410	62,919	(514,754)	4,478,575	(8.63)	(1.99)	8.04	(1.61)	(4.19)
Sweet Grass	E	Melville Elem	0866	345.41	101.00	101.51	53.14	49.59	33.19	6.87	1,318,716	41,011	(137,266)	1,222,461	(1.67)	(1.99)	4.18	(3.06)	(2.54)
Sweet Grass	E	Greycliff Elem	0872	367.04	101.00	101.51	65.00	59.46	33.19	6.87	1,053,932	18,971	(128,522)	944,381	(5.59)	(1.99)	7.54	(1.79)	(1.84)
Sweet Grass	E	McLeod Elem	0875	358.15	101.00	101.51	49.78	65.79	33.19	6.87	549,860	19,514	(39,812)	529,562	(6.06)	(1.99)	1.91	(3.48)	(9.62)
Sweet Grass	E	Bridger Elem	0881	347.70	101.00	101.51	77.11	28.01	33.19	6.87	736,187	8,846	(80,274)	664,759	(2.90)	(1.99)	8.29	(1.21)	2.19
Teton	E	Choteau Elem	0883	392.47	101.00	121.38	83.43	52.05	26.64	7.97	6,189,997	(259,927)	(390,763)	4,539,307	(6.45)	(2.42)	11.96	6.40	9.49
Teton	E	Bynum Elem	0889	334.56	101.00	102.46	42.51	53.96	26.64	7.97	567,275	(19,900)	(65,966)	481,409	(8.04)	(2.42)	7.58	3.72	0.85
Teton	E	Fairfield Elem	0890	477.66	101.00	133.83	129.93	78.29	26.64	7.97	2,291,945	(107,592)	(148,663)	2,035,690	(10.06)	(2.42)	16.36	6.59	10.45
Teton	C	Dutton Schools	0893	361.91	101.00	104.38	50.34	71.58	26.64	7.97	3,744,007	(112,472)	(402,800)	3,228,735	(8.88)	(2.42)	8.03	3.23	(0.03)
Teton	E	Power Elem	0894	401.70	101.00	96.27	84.71	83.11	26.64	7.97	1,431,073	(53,649)	(139,635)	1,237,789	(10.40)	(2.42)	13.23	3.83	4.23
Teton	E	Golden Ridge Elem	0896	390.30	101.00	102.46	66.67	85.56	26.64	7.97	424,931	(15,785)	(40,912)	368,234	(10.60)	(2.42)	10.27	3.95	1.21
Teton	E	Pendroy Elem	0898	323.07	101.00	102.73	36.32	48.41	26.64	7.97	977,889	(35,570)	(100,189)	842,130	(5.63)	(2.42)	5.86	3.86	1.88
Teton	E	Greenfield Elem	0900	402.86	101.00	101.38	102.96	62.91	26.64	7.97	802,317	(33,090)	(92,102)	677,125	(10.27)	(2.42)	19.04	4.36	10.72
Toole	C	Sunburst Schools	0903	369.78	101.00	122.45	95.58	27.30	19.81	3.54	6,115,675	(249,448)	(656,381)	5,210,845	(6.06)	0.85	16.61	5.21	16.81
Toole	E	Shelby Elem	0910	410.65	101.00	157.28	92.63	36.59	19.81	3.54	6,919,036	(468,186)	(581,251)	5,869,599	(4.73)	0.85	16.56	11.42	24.10
Toole	E	Galata Elem	0915	299.89	101.00	119.70	40.44	15.20	19.81	3.54	3,560,159	(124,704)	(383,771)	3,061,684	(1.96)	0.85	6.28	4.35	9.52
Treasure	C	Hysham Schools	0923	328.72	101.00	86.42	49.11	63.45	22.59	6.15	4,795,575	(59,226)	(407,014)	4,329,335	(1.89)	0.56	5.29	1.08	5.04
Valley	C	Glasgow Schools	0926	360.47	101.00	104.24	76.66	48.67	24.09	4.81	12,803,996	(702,708)	(902,117)	11,199,171	(10.63)	0.45	10.99	6.06	6.86
Valley	E	Frazer Elem	0927	325.44	101.00	68.07	57.15	70.32	24.09	4.81	1,641,712	(26,905)	(95,134)	1,519,673	(10.07)	0.45	4.59	1.13	(3.90)
Valley	E	Hinsdale Elem	0932	258.82	101.00	71.82	42.93	14.17	24.09	4.81	3,941,081	(83,037)	(211,733)	3,666,311	(0.13)	0.45	3.22	1.17	4.70
Valley	C	Opheim Schools	0935	341.11	101.00	69.99	116.56	24.64	24.09	4.81	3,602,691	(109,730)	(272,630)	3,220,331	(3.63)	0.45	13.84	2.20	12.85
Valley	C	Nashua Schools	0937	391.90	101.00	84.85	112.55	64.60	24.09	4.81	2,375,718	(116,464)	(161,775)	2,096,479	(14.81)	0.45	14.87	4.33	4.84
Valley	E	Lustre Elem	0941	269.08	101.00	68.07	42.84	28.25	24.09	4.81	2,287,518	(34,856)	(131,432)	2,121,230	(3.85)	0.45	3.36	1.05	1.01
Wheatland	E	Two Dot Elem	0944	264.99	101.00	81.00	30.71	28.02	18.05	5.91	3,701,687	(21,080)	(174,427)	3,506,200	1.12	0.47	1.71	0.46	3.77
Wheatland	E	Harlowton Elem	0945	389.00	101.00	110.82	81.45	71.77	18.05	5.91	3,156,670	(80,479)	(342,637)	2,733,554	(3.80)	0.47	12.81	2.90	12.18
Wheatland	E	Shawmut Elem	0947	278.40	101.00	81.00	41.44	31.00	18.05	5.91	2,470,135	(5,231)	(121,884)	2,343,020	1.19	0.47	2.25	0.17	4.09
Fergus	E	Judith Gap Elem	0948	320.34	101.00	66.67	48.74	62.47	33.40	9.08	3,542,441	(25,209)	(324,896)	3,192,336	(1.67)	(2.91)	5.35	0.47	1.24
Wibaux	C	Wibaux Schools	0964	394.92	101.00	197.47	47.37	31.58	12.50	5.00	3,705,164	(184,781)	(470,127)	3,050,256	(8.22)	(0.31)	10.17	10.36	12.01
Yellowstone	E	Billings Elem	0965	444.78	101.00	137.86	97.44	71.14	34.42	2.92	152,748,854	(12,110,868)	(8,787,548)	131,850,438	(7.87)	(3.58)	15.44	11.87	15.87
Yellowstone	E	Lockwood Elem	0967	411.62	101.00	81.07	120.26	71.95	34.42	2.92	15,265,726	(631,491)	(3,703,076)	10,931,159	(6.51)	(3.58)	47.89	3.50	41.10
Yellowstone	E	Blue Creek Elem	0968	352.10	101.00	81.07	54.91	77.78	34.42	2.92	2,421,550	(217,884)	(140,234)	2,063,432	(9.58)	(3.58)	9.53	8.02	4.39
Yellowstone	E	Canyon Creek Elem	0969	399.53	101.00	81.07	96.84	81.28	34.42	2.92	2,266,946	(203,062)	(151,250)	1,912,634	(9.32)	(3.58)	18.31	7.96	13.38
Carbon	E	Laurel Elem	0970	395.96	101.00	112.84	74.26	76.96	26.50	4.40	20,727,473	(954,305)	(2,742,999)	17,030,169	(7.66)	(1.02)	18.12	5.45	12.88
Yellowstone	E	Elder Grove Elem	0972	385.65	101.00	81.07	81.62	74.62	34.42	2.92	2,882,981	(248,043)	(191,689)	2,445,249	(9.80)	(3.58)	16.40	7.56	10.78
Yellowstone	C	Custer Schools	0975	369.83	101.00	83.16	69.13	79.20	34.42	2.92	2,169,844	(35,131)	(171,989)	1,962,724	(11.50)	(3.58)	7.30	1.37	(6.42)
Yellowstone	E	Morin Elem	0978	331.10	101.00	81.07	54.18	57.51	34.42	2.92	1,278,460	(24,993)	(209,103)	1,044,364	1.07	(3.58)	12.14	1.62	11.25
Musselshell	E	Broadview Elem	0978	270.32	101.00	86.75	21.50	27.71	25.31	8.05	7,993,678	(66,028)	(203,255)	7,724,395	(0.62)	(1.75)	0.75	0.72	(0.89)
Yellowstone	E	Elysian Elem	0981	377.66	101.00	137.07	49.96	52.30	34.42	2.92	7,954,798	(307,419)	(1,031,737)	6,615,642	(0.11)	(3.58)	10.11	5.51	11.93
Yellowstone	C	Huntley Project Scho	0983	355.99	101.00	83.27	81.54	72.84	34.42	2.92	8,232,037	(339,448)	(651,041)	7,241,548	(18.32)	(3.58)	8.42	3.58	(9.90)
Yellowstone	E	Shepherd Elem	0985	380.16	101.00	82.19	78.20	81.43	34.42	2.92	4,750,356	(328,735)	(195,284)	4,226,337	(11.54)	(3.58)	9.70	6.11	0.68
Yellowstone	E	Pioneer Elem	0987	387.16	101.00	81.07	98.06	69.69	34.42	2.92	1,064,562	(99,984)	(76,340)	888,238	(8.80)	(3.58)	19.47	8.40	15.49
Yellowstone	E	Independent Elem	0989	411.19	101.00	103.14	89.54	80.17	34.42	2.92	2,733,614	(289,230)	(55,707)	2,388,677	(10.28)	(3.58)	12.93	12.20	11.28
Flathead	E	West Valley Elem	1184	387.00	101.00	105.86	64.71	82.48	29.65	3.30	3,192,819	(306,162)	(172,590)	2,714,067	(10.15)	(3.74)	11.41	11.23	8.75
Daweon	E	Deer Creek Elem	1193	406.80	101.00	198.40	36.23	34.69	33.08	5.40	2,150,454	(45,687)	(177,323)	1,927,444	(2.90)	(3.60)	4.19	4.26	1.95
Cascade	E	Deep Creek Elem	1195	337.54	101.00	106.49	28.81	64.41	30.29	4.54	631,901	(25,545)	(80,799)	525,557	0.54	(3.02)	5.83	4.57	7.92

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Yellowstone	E	Yellowstone Educat	1196	275.03	101.00	81.07	27.56	28.06	34.42	2.92	11,478	(310)	(2,150)	9,018	(3.13)	(3.58)	7.52	2.25	3.06
Lake	E	Ronan Elem	1199	352.47	101.00	103.08	27.48	79.31	33.97	7.64	7,216,611	(182,312)	(1,072,568)	5,961,731	(10.93)	(3.03)	5.78	2.67	(6.51)
Phillips	E	Saco Elem	1203	285.60	101.00	66.50	89.28	-	22.30	6.52	4,403,519	(89,140)	(204,990)	4,109,389	-	0.40	6.39	1.37	8.16
Lake	E	Charlo Elem	1205	372.81	101.00	99.75	46.68	83.77	33.97	7.64	1,834,120	(37,016)	(178,394)	1,418,710	(12.02)	(3.03)	7.09	2.31	(5.66)
Hill	E	Rocky Boy Elem	1207	641.47	101.00	101.05	317.92	84.45	30.96	6.09	54,371	(246)	(2,606)	51,517	(14.43)	(3.17)	17.61	0.46	0.47
Hill	E	K-G Elem	1208	358.50	101.00	102.64	58.69	58.92	30.96	6.09	4,962,936	(141,145)	(320,942)	4,520,851	(1.32)	(3.17)	6.00	3.00	4.51
Lake	E	Upper West Shore E	1211	278.25	101.00	89.82	7.24	38.58	33.97	7.64	4,073,409	(158,704)	(70,832)	3,843,873	(4.36)	(3.03)	0.43	3.64	(3.32)
Blaine	C	Heye-Lodge Pole Sc	1213	308.35	101.00	118.62	-	87.73	-	1.00	110,506	(2,039)	(13,549)	94,920	(28.79)	0.91	-	2.23	(25.64)
Park	E	Arrowhead Elem	1215	328.38	101.00	87.42	29.10	73.96	32.20	4.71	3,870,213	38,182	(196,951)	3,511,444	(9.61)	(1.60)	1.32	(0.90)	(10.80)
Blaine	E	North Harlem Colony	1216	316.84	101.00	120.62	12.00	82.22	-	1.00	105,499	(6,028)	(15,854)	83,617	(11.05)	0.91	3.14	7.31	0.31
Hill	E	Gildford Colony Ele	1217	355.46	101.00	102.78	43.07	71.57	30.96	6.09	269,604	(10,114)	(17,848)	241,642	(8.20)	(3.17)	4.98	4.01	(2.37)
Fergus	E	Ayers Elem	1218	288.74	101.00	80.94	29.71	34.63	33.40	9.06	129,408	(3,706)	(13,697)	112,005	(4.57)	(2.91)	4.62	2.39	(2.48)
Hill	C	Blue Sky Schools	1220	361.38	101.00	105.06	77.86	60.41	30.96	6.09	3,720,112	(212,312)	(350,862)	3,156,938	(10.55)	(3.17)	13.89	6.36	6.53
Lewis And Cla	C	Lincoln Schools	1221	334.64	101.00	89.99	30.15	79.76	31.24	2.50	2,305,836	(96,680)	(154,785)	2,052,371	(21.55)	(2.56)	3.72	4.02	(16.36)
Glacier	E	Mountain View Elem	1222	421.96	101.00	113.80	97.57	74.87	26.03	8.69	133,637	(10,519)	(15,506)	107,612	(10.36)	(2.26)	23.60	9.72	20.70
Flathead	E	West Glacier Elem	1223	322.82	101.00	105.86	29.81	53.20	29.66	3.30	3,216,067	(152,994)	(271,924)	2,791,149	(1.13)	(3.74)	4.54	5.29	4.96
Liberty	E	Liberty Elem	1224	309.79	101.00	96.57	28.65	61.41	13.80	8.36	188,682	(18,049)	(26,761)	145,872	(8.91)	0.90	8.41	8.96	9.37
Cascade	E	Sun River Valley Ele	1225	490.22	101.00	110.73	162.27	81.39	30.29	4.54	2,756,613	(237,967)	(137,224)	2,381,402	(10.88)	(3.02)	25.57	10.46	22.13
Gallatin	E	Shields Valley Elem	1227	343.01	101.00	94.05	68.18	51.78	24.50	3.50	4,317,528	15,948	(441,496)	3,891,980	(6.78)	(1.52)	7.46	(0.35)	(1.20)
											1,941,848,850	(83,252,351)	(208,545,664)	1,650,048,835					

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Missoula	E	Hellgate Elem	0586	501.05	101.00	210.69	76.83	77.31	29.91	3.31	18,177,840	(489,974)	(2,073,224)	15,614,642	(6.77)	(2.77)	12.94	5.84	7.24
Missoula	E	Lolo Elem	0588	446.03	101.00	170.99	63.85	76.97	29.91	3.31	4,849,681	(219,451)	(189,869)	4,440,361	(10.38)	(2.77)	6.89	8.10	0.84
Missoula	E	Potomac Elem	0589	402.73	101.00	117.85	72.74	78.12	29.91	3.31	1,235,711	(14,500)	(98,115)	1,123,096	(10.09)	(2.77)	7.29	1.40	(4.16)
Missoula	E	Bonner Elem	0590	485.14	101.00	157.16	124.37	69.39	29.91	3.31	5,157,043	(111,793)	(1,028,960)	4,016,290	(7.06)	(2.77)	35.32	3.48	28.96
Missoula	E	Woodman Elem	0591	396.48	101.00	137.98	38.97	85.31	29.91	3.31	920,181	(7,740)	(47,653)	864,788	(10.45)	(2.77)	2.50	1.17	(9.56)
Missoula	E	DeSmet Elem	0592	468.53	101.00	163.21	88.45	82.65	29.91	3.31	3,169,484	(49,476)	(389,399)	2,730,809	(7.88)	(2.77)	14.22	2.59	6.15
Missoula	E	Target Range Elem	0593	477.31	101.00	184.04	65.00	74.06	29.91	3.31	7,532,668	(296,267)	(351,245)	6,885,156	(10.04)	(2.77)	7.99	7.53	2.72
Missoula	E	Sunset Elem	0594	386.58	101.00	120.81	66.20	78.55	29.91	3.31	506,970	16,093	(22,824)	500,239	(3.73)	(2.77)	0.74	(3.71)	(9.46)
Missoula	E	Clinton Elem	0595	485.27	101.00	140.23	136.33	74.49	29.91	3.31	3,067,441	(68,822)	(167,626)	2,830,991	(9.75)	(2.77)	11.39	3.22	2.06
Missoula	E	Swan Valley Elem	0596	401.46	101.00	124.26	70.10	72.88	29.91	3.31	1,704,965	(51,187)	(21,279)	1,632,499	(10.78)	(2.77)	3.11	3.85	(6.59)
Missoula	E	Seeley Lake Elem	0597	457.90	101.00	152.65	96.39	74.64	29.91	3.31	4,425,500	(163,563)	(172,049)	4,089,888	(9.86)	(2.77)	7.91	5.66	1.14
Missoula	C	Frenchtown Schools	0599	407.64	101.00	144.99	68.19	60.24	29.91	3.31	15,292,800	(284,354)	(4,052,254)	10,956,192	(3.28)	(2.77)	26.99	2.75	23.69
Musselshell	E	Musselshell Elem	0600	322.70	101.00	119.65	31.71	36.96	25.31	8.05	817,816	(6,012)	(78,707)	735,097	(4.27)	(1.75)	3.57	0.89	(1.56)
Musselshell	E	Roundup Elem	0605	378.03	101.00	134.67	35.77	73.23	25.31	8.05	6,786,358	(340,592)	(412,768)	5,032,998	(9.90)	(1.75)	5.35	8.42	2.13
Musselshell	E	Melstone Elem	0607	312.32	101.00	53.27	64.73	59.96	25.31	8.05	1,778,191	(31,391)	(167,914)	1,578,886	(7.03)	(1.76)	8.17	0.96	0.36
Park	E	Livingston Elem	0612	449.68	101.00	154.76	83.91	73.11	32.20	4.71	15,440,738	18,823	(1,089,667)	14,369,894	(9.11)	(1.60)	6.25	(0.19)	(4.66)
Park	E	Gardiner Elem	0614	338.72	101.00	94.71	24.67	81.43	32.20	4.71	3,800,570	3,215	(443,081)	3,360,804	(7.73)	(1.60)	3.23	(0.06)	(8.19)
Park	E	Cooke City Elem	0617	311.14	101.00	93.06	26.37	53.78	32.20	4.71	868,936	4,571	(34,169)	839,338	(3.23)	(1.60)	0.93	(0.49)	(4.39)
Park	E	Pine Creek Elem	0620	333.47	101.00	95.52	18.75	81.29	32.20	4.71	912,905	10,065	(66,391)	856,579	(9.26)	(1.60)	1.23	(1.04)	(10.67)
Park	E	Springdale Elem	0635	301.24	101.00	94.72	24.68	43.92	32.20	4.71	858,691	4,013	(79,127)	783,577	(1.91)	(1.60)	2.37	(0.44)	(1.58)
Petroleum	C	Winnett Schools	0642	361.33	101.00	63.82	78.75	66.74	27.97	14.05	2,061,184	(12,083)	(267,732)	1,801,369	(11.19)	0.74	12.23	0.37	2.16
Phillips	E	Dodson Elem	0647	384.67	101.00	66.52	121.50	66.83	22.30	6.52	1,562,594	(52,456)	(148,333)	1,361,805	(8.30)	0.40	17.91	2.31	12.32
Phillips	E	Landusky Elem	0653	324.79	101.00	81.25	99.45	34.27	22.30	6.52	545,414	(9,706)	(183,578)	352,130	1.93	0.40	54.58	1.11	58.03
Phillips	E	Malta Elem	0658	419.31	101.00	92.42	116.75	81.32	22.30	6.52	7,568,050	(604,202)	(736,014)	6,227,834	(9.80)	0.40	24.91	8.02	23.53
Phillips	C	Whitewater Schools	0663	228.10	101.00	81.28	37.00	-	22.30	6.52	3,771,422	(49,111)	(333,038)	3,389,273	-	0.40	4.17	0.81	5.38
Pondera	E	Heart Butte Elem	0670	346.65	101.00	116.40	-	85.70	37.00	6.55	48,067	(1,583)	(942)	45,542	(14.91)	(3.85)	-	3.96	(14.79)
Pondera	E	Dupuyer Elem	0671	368.91	101.00	116.40	41.41	66.55	37.00	6.55	731,967	(50,950)	(67,872)	613,365	1.01	(3.85)	8.01	8.71	13.88
Pondera	E	Conrad Elem	0674	436.50	101.00	142.11	83.14	66.70	37.00	6.55	6,389,948	(482,568)	(785,448)	7,121,832	(7.87)	(3.85)	14.80	8.87	11.78
Pondera	E	Valier Elem	0679	409.17	101.00	123.27	70.41	70.94	37.00	6.55	3,290,431	(145,603)	(337,193)	2,807,635	(7.94)	(3.85)	12.11	5.71	6.03
Pondera	C	Brady Schools	0682	373.45	101.00	118.50	60.65	49.65	37.00	6.55	2,981,567	(129,150)	(307,039)	2,545,378	1.02	(3.85)	10.39	5.37	12.94
Pondera	E	Miami Elem	0684	351.67	101.00	116.40	42.15	48.57	37.00	6.55	387,877	(23,239)	(35,769)	328,869	(6.71)	(3.85)	7.56	7.42	4.42
Powder River	E	Biddle Elem	0692	432.38	101.00	208.59	47.27	33.86	26.93	14.73	467,471	(16,287)	(47,311)	403,873	(4.13)	(3.05)	7.44	7.53	7.79
Powder River	E	Belle Creek Elem	0695	410.28	101.00	208.01	37.84	21.77	26.93	14.73	545,241	(13,126)	(67,951)	464,164	(2.24)	(3.05)	6.81	5.13	6.46
Powder River	N	Billup Elem	0702	389.52	101.00	199.46	(17.98)	66.38	26.93	14.73	216,265	-	(29,259)	187,006	(2.24)	(3.05)	(2.81)	-	(8.10)
Carter	E	Broadus Elem	0705	488.39	101.00	222.82	79.62	66.38	12.47	7.11	3,191,732	(198,233)	(348,642)	2,646,857	(7.23)	0.35	16.39	14.60	24.11
Powder River	E	South Stacey Elem	0709	410.07	101.00	189.46	26.26	41.69	26.93	14.73	381,732	(5,556)	(53,869)	322,307	(0.32)	(3.05)	4.84	2.95	4.42
Deer Lodge	E	Deer Lodge Elem	0712	415.28	101.00	106.66	107.42	69.22	24.82	8.16	7,556,491	(426,045)	(706,706)	6,423,740	(7.99)	(1.85)	18.94	6.37	15.47
Powell	E	Ovando Elem	0715	299.18	101.00	77.45	35.27	50.31	29.27	5.88	921,880	(49,853)	(43,081)	828,948	(4.61)	(2.64)	3.95	4.43	1.14
Powell	E	Helmville Elem	0717	313.44	101.00	77.45	44.56	55.29	29.27	5.88	1,078,535	(18,493)	(117,369)	944,673	(2.92)	(2.64)	8.31	1.20	1.98
Powell	E	Garrison Elem	0718	318.49	101.00	77.45	63.08	41.81	29.27	5.88	1,018,883	(12,266)	(152,923)	851,694	0.03	(2.64)	12.23	0.95	10.57
Powell	E	Elliston Elem	0719	331.46	101.00	77.45	53.76	64.11	29.27	5.88	866,581	(39,029)	(62,095)	765,457	(7.48)	(2.64)	7.10	3.65	0.63
Powell	E	Avon Elem	0720	320.30	101.00	77.45	37.07	69.63	29.27	5.88	976,627	(19,629)	(87,511)	869,487	(7.49)	(2.64)	4.57	1.59	(3.98)
Powell	E	Gold Creek Elem	0721	287.86	101.00	77.45	38.74	36.52	29.27	5.88	1,517,883	(14,165)	(166,070)	1,337,648	(2.39)	(2.64)	5.22	0.73	0.92
Prairie	C	Terry Schools	0726	388.96	101.00	128.77	73.59	51.08	26.01	8.51	4,291,651	(180,655)	(518,965)	3,591,831	(8.11)	(1.78)	14.34	5.67	10.11
Ravalli	C	Corvallis Schools	0731	366.30	101.00	92.85	65.24	83.02	19.60	4.59	7,377,469	(448,550)	(422,065)	6,508,854	(24.71)	(2.67)	6.73	6.01	(12.84)
Ravalli	E	Stevensville Elem	0732	329.67	101.00	105.00	20.90	78.57	19.60	4.59	8,343,034	(475,600)	(500,984)	7,366,450	(12.54)	(2.67)	2.77	6.35	(6.09)
Ravalli	C	Hamilton Schools	0735	408.51	101.00	123.78	84.16	75.38	19.60	4.59	15,901,053	(907,839)	(776,345)	14,216,869	(20.04)	(2.67)	9.97	7.50	(5.25)

Impact of the Reimbursement Mechanism in SB184 on Consolidated Mills, By School District

April 17,1999

Consolidated Mills are weighted averages for all jurisdictions in each elementary school district.

County	L	District	LE	FY99 Consolidated Mills	State Mills	Cons Mills Loc Gov't	Cons Mills Other Schools	Cons Mills GF BASE	Cons Mills Co Retire	Cons Mills Co Trans	TY98	SB184	All Other	New TV	Change in BASE Mills	Change in Co Retire Mills	Change in Other School Mills	Change in Loc Gov't Mills	Change in Consolidated Mills
Ravalli	C	Victor Schools	0736	316.31	101.00	96.40	17.47	77.25	19.60	4.59	4,210,054	(275,943)	(233,676)	3,700,435	(20.31)	(2.67)	2.41	6.76	(13.82)
Ravalli	C	Darby Schools	0740	321.21	101.00	100.24	20.48	75.30	19.60	4.59	6,593,910	(373,071)	(456,403)	5,764,436	(16.81)	(2.67)	2.95	6.01	(13.52)
Ravalli	E	Lone Rock Elem	0741	363.88	101.00	107.60	51.86	79.23	19.60	4.59	2,564,985	(172,304)	(82,392)	2,310,289	(11.32)	(2.67)	5.72	7.76	(0.52)
Missoula	C	Florence-Carlton Sc	0743	373.30	101.00	102.51	57.21	79.36	29.91	3.31	6,742,121	(356,192)	(183,961)	6,201,968	(25.80)	(2.77)	5.94	6.78	(15.85)
Richland	E	Sidney Elem	0745	439.57	101.00	124.01	121.61	54.03	31.24	7.68	11,406,620	(872,072)	(1,720,890)	8,813,656	(6.07)	(3.62)	35.78	10.27	36.35
Dawson	E	Savage Elem	0747	383.37	101.00	92.35	96.79	54.76	33.08	5.40	1,534,106	(68,566)	(204,136)	1,261,400	(7.02)	(3.60)	20.92	4.32	14.63
Richland	E	Bronson Elem	0749	318.40	101.00	84.61	54.54	39.34	31.24	7.68	1,030,603	(28,540)	(104,431)	897,632	(0.36)	(3.62)	8.08	2.41	6.50
Richland	E	Fairview Elem	0750	312.58	101.00	101.08	70.90	0.59	31.24	7.68	3,055,204	(156,915)	(543,677)	2,354,612	(1.61)	(3.62)	21.09	5.47	21.33
Richland	E	Rau Elem	0754	342.63	101.00	84.61	85.60	32.50	31.24	7.68	1,317,669	(40,281)	(150,495)	1,126,893	(4.31)	(3.62)	14.49	2.67	9.22
Richland	E	Lambert Elem	0755	398.83	101.00	84.61	135.98	38.32	31.24	7.68	1,872,542	(77,410)	(236,304)	1,558,828	(4.04)	(3.62)	27.37	3.65	23.36
Roosevelt	E	Frontier Elem	0774	284.86	101.00	82.24	27.59	35.55	33.19	5.29	3,722,795	(80,101)	(143,308)	3,499,386	(6.48)	(3.10)	1.76	1.81	(6.01)
Roosevelt	E	Poplar Elem	0775	360.28	101.00	93.07	45.55	82.18	33.19	5.29	5,268,842	(175,600)	(556,421)	4,534,821	(10.81)	(3.10)	7.35	3.21	(3.15)
Richland	E	Culbertson Elem	0777	367.37	101.00	93.56	77.91	55.96	31.24	7.68	5,062,349	(160,322)	(402,584)	4,479,443	(6.59)	(3.62)	10.14	3.46	3.36
Roosevelt	E	Wolf Point Elem	0780	340.42	101.00	116.33	19.65	65.96	33.19	5.29	5,065,480	(367,801)	(546,227)	4,181,452	(9.12)	(3.10)	4.25	8.73	0.78
Roosevelt	E	Brockton Elem	0782	334.78	101.00	79.84	21.02	94.44	33.19	5.29	467,990	(8,382)	(42,560)	407,058	(13.56)	(3.10)	2.63	1.49	(12.54)
Roosevelt	C	Bainville Schools	0785	283.59	101.00	90.87	53.24	-	33.19	5.29	3,895,939	(74,635)	(299,534)	3,321,770	-	(3.10)	5.00	1.87	4.77
Roosevelt	E	Froid Elem	0786	341.26	101.00	86.29	75.66	39.83	33.19	5.29	4,180,899	(101,280)	(110,378)	3,969,241	(3.31)	(3.10)	4.03	2.14	(0.23)
Rosebud	E	Rock Spring Elem	0788	212.10	101.00	19.18	51.58	31.57	7.31	1.46	680,531	2,022	(47,353)	615,200	(2.48)	0.10	3.80	(0.06)	1.36
Rosebud	E	Birney Elem	0789	208.78	101.00	18.18	40.03	39.80	7.31	1.46	354,277	(10,587)	(40,257)	303,433	(7.34)	0.10	8.71	0.59	5.06
Rosebud	E	Forsyth Elem	0790	315.01	101.00	55.06	90.75	59.44	7.31	1.46	6,657,173	(310,924)	(1,323,659)	5,022,590	(2.73)	0.10	29.53	2.70	29.60
Rosebud	E	Lame Deer Elem	0792	209.66	101.00	18.68	29.30	51.91	7.31	1.46	138,688	(7,670)	(16,092)	114,924	(7.42)	0.10	8.06	1.08	(0.17)
Rosebud	E	Rosebud Elem	0794	275.82	101.00	19.18	89.79	56.88	7.31	1.46	2,133,300	(21,307)	(191,841)	1,920,152	(5.85)	0.10	9.97	0.19	4.41
Rosebud	E	Colstrip Elem	0796	162.31	101.00	27.93	19.96	4.65	7.31	1.46	167,014,556	(564,459)	(63,756,899)	102,693,198	1.66	0.10	12.50	0.09	14.36
Powder River	E	Ashland Elem	0800	361.99	101.00	62.55	107.93	48.85	26.93	14.73	1,312,219	(79,913)	(238,781)	993,525	(2.79)	(3.05)	34.62	4.06	31.84
Sanders	E	Plains Elem	0802	330.22	101.00	87.47	34.66	79.57	22.35	5.18	4,511,028	(70,592)	(556,702)	3,881,734	(9.45)	0.97	6.62	1.39	(1.48)
Sanders	E	Thompson Falls Ele	0804	326.74	101.00	74.94	45.07	78.20	22.35	5.18	12,657,399	(81,974)	(167,618)	12,407,807	(11.36)	0.97	0.91	0.49	(9.00)
Sanders	E	Trout Creek Elem	0807	261.34	101.00	60.61	28.50	43.70	22.35	5.18	6,896,859	(47,141)	(2,373,346)	4,276,372	13.51	0.97	16.13	0.43	31.05
Sanders	E	Paradise Elem	0808	318.18	101.00	60.87	53.19	75.59	22.35	5.18	1,026,139	(9,068)	(114,204)	902,867	(9.83)	0.97	7.26	0.54	(1.06)
Sanders	E	Dixon Elem	0809	328.81	101.00	67.22	49.80	83.26	22.35	5.18	803,770	(4,640)	(54,819)	744,311	(12.29)	0.97	5.44	0.52	(5.36)
Sanders	E	Noxon Elem	0811	276.89	101.00	62.19	37.23	47.94	22.35	5.18	9,649,394	(55,846)	(3,878,757)	5,714,789	27.83	0.97	25.63	0.36	54.80
Sanders	E	Camas Prairie Elem	0813	294.40	101.00	68.98	34.76	62.13	22.35	5.18	740,519	(2,101)	(132,020)	606,398	0.89	0.97	7.69	0.20	9.56
Lake	E	Hot Springs Elem	0814	360.14	101.00	89.45	54.68	73.40	33.97	7.84	1,436,398	(20,701)	(173,385)	1,242,312	(16.23)	(3.03)	8.54	1.31	(3.42)
Sheridan	E	Westby Elem	0818	379.48	101.00	142.51	123.57	-	10.40	2.00	1,427,862	(75,494)	(299,870)	1,052,498	(1.55)	(0.73)	44.07	7.96	49.64
Sheridan	E	Medicine Lake Elem	0821	357.98	101.00	137.59	101.85	5.14	10.40	2.00	2,798,862	(148,887)	(477,877)	2,174,098	(0.39)	(0.73)	29.27	7.62	35.77
Sheridan	C	Plentywood Schools	0828	415.92	101.00	156.74	91.27	54.51	10.40	2.00	5,113,658	(483,788)	(588,461)	4,041,409	(12.17)	(0.73)	24.22	16.38	27.89
Sheridan	C	Outlook Schools	0831	404.09	101.00	140.41	150.28	-	10.40	2.00	1,358,531	(70,174)	(153,065)	1,135,272	(2.45)	(0.73)	29.55	7.65	34.02
Sheridan	N	Hiawatha Elem	0837	291.24	101.00	126.44	48.04	3.37	10.40	2.00	510,559	-	(143,665)	366,894	(1.02)	(0.73)	18.81	-	17.08
Silver Bow	E	Butte Elem	0840	481.82	101.00	156.80	115.86	70.16	35.98	2.22	49,953,906	(2,802,215)	(3,356,133)	43,795,558	(7.93)	(3.45)	16.29	9.31	14.22
Silver Bow	E	Ramsay Elem	0842	437.96	101.00	133.70	92.20	72.86	35.98	2.22	21,391,784	(132,375)	(701,727)	20,557,682	(23.86)	(3.45)	3.74	0.83	(22.73)
Silver Bow	E	Divide Elem	0843	398.73	101.00	133.29	49.05	77.19	35.98	2.22	517,336	(21,707)	(31,560)	464,069	(9.04)	(3.45)	5.63	5.84	(1.02)
Silver Bow	E	Melrose Elem	0844	470.61	101.00	149.66	112.16	69.59	35.98	2.22	292,207	(11,504)	(31,915)	248,788	(8.61)	(3.45)	19.57	6.13	13.85
Stillwater	E	Park City Elem	0846	309.78	101.00	87.17	31.84	63.28	22.00	4.50	3,208,580	(107,906)	(194,248)	2,906,426	(7.46)	1.19	3.31	3.03	0.08
Stillwater	E	Columbus Elem	0848	413.43	101.00	119.66	85.28	81.00	22.00	4.50	8,764,100	(271,524)	(1,467,313)	7,025,263	(2.66)	1.19	21.11	3.83	23.46
Stillwater	E	Reedpoint Elem	0850	433.09	101.00	89.76	129.92	85.91	22.00	4.50	1,353,615	(7,815)	(177,896)	1,167,904	(8.68)	1.19	20.68	0.52	13.70
Stillwater	E	Molt Elem	0852	252.45	101.00	80.77	15.88	28.30	22.00	4.50	954,056	(18,130)	(122,828)	816,098	0.06	1.19	2.71	1.39	5.37
Stillwater	E	Fishtail Elem	0853	275.85	101.00	80.10	29.27	38.98	22.00	4.50	2,578,957	(41,293)	(994,169)	1,543,495	9.88	1.19	19.64	1.30	32.01
Stillwater	E	Nye Elem	0857	275.43	101.00	83.75	19.74	44.44	22.00	4.50	1,207,537	(55,942)	(149,932)	1,001,663	4.11	1.19	4.06	4.07	13.42

SENATE TAXATION
DATE 4/17/99
EXHIBIT NO. 9
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 17, 1999 (10:07AM)

Removes Rep. Facey, Rep. Davis, and Rep. Guggenheim amendments.

1. Title, page 1, line 8 through line 10.
Strike: "PROVIDING" on line 8 through "LEVIES;" on line 10

2. Title, page 2, line 5.
Strike: "15-8-201,"

3. Page 4, line 8 through page 5, line 4.
Strike: sections 2 and 3 in their entirety
Renumber: subsequent sections

4. Page 83, line 24.
Strike: "0.167%"
Insert: "0.0835"

5. Page 83, line 25.
Strike: "3.126%"
Insert: "3.46%"

6. Page 87, line 12.
Strike: "OF THE FIRST $200,000 OR LESS"

7. Page 87, line 14.
Strike: "19%"
Insert: "16%"

8. Page 87, line 15.
Strike: "27.5%"
Insert: "23%"

9. Page 87, line 16.
Strike: "33%"
Insert: "27.5%"

10. Page 87, line 17.
Strike: "38%"
Insert: "31%"

11. Page 87, line 18.
Strike: "OF THE FIRST $200,000 OR LESS"

12. Page 94, line 6 through line 30.
Strike: section 91 in its entirety
Renumber: subsequent sections

13. Page 181, line 18 and line 23.
Strike: "180"
Insert: "177"

14. Page 182, line 9.
Strike: "179"
Insert: "176"

15. Page 185, line 18.
Strike: "(1)"

16. Page 185, line 21 through line 24.
Strike: subsections (2) and (3) in their entirety

17. Page 185, line 28.
Strike: "119, 122"
Insert: "116, 119"
Strike: "124"
Insert: "121"

18. Page 185, line 29.
Strike: "123"
Insert: "120"
Strike: "125"
Insert: "122"

19. Page 186, lines 1 and 2.
Strike: "(1)" on line 1 through "SECTIONS" on line 2
Insert: "Sections"
Strike: ", 4 THROUGH 90, 92"
Strike: "118, 120, 121"
Insert: "115, 117, 118"

20. Page 186, line 3.
Strike: "126 THROUGH 173"
Insert: "123 through 170"

21. Page 186, line 7.
Strike: "122 AND 124"
Insert: "119 and 121"

22. Page 186, line 5.
Strike: subsection (2) in its entirety

- END -

SENATE TAXATION
DATE 4/12/99
EXHIBIT NO. 10
BILL NO. SB184

Reimbursement Mechanisms in Various bills

04/07/99

Bill Number	Property class	Tax Year Taxes are cut	Fiscal year Effective	Mechanism	Mill levies not reimbursed	Distribution scheme below county level	Reimbursement Frequency	Appropriation Authority?	Source of Reimbursement
SB200	Class 8 Livestock	TY99 - 4%	FY00 - None						
		TY00 - 3%	FY01	Max reimb = TV99 * ML99/4	40,55,6,9	Calculated by Dept	November, May	Statutory	State Gen Fund
		TY01 - 2%	FY02	Max reimb = TV99 * ML99/4 * 2	40,55,6,9	Calculated by Dept	November, May	Statutory	State Gen Fund
		TY02 - 1%	FY03	Max reimb = TV99 * ML99/4 * 3	40,55,6,9	Calculated by Dept	November, May	Statutory	State Gen Fund
		TY03 - 0%	FY04 +	Max reimb = TV99 * ML99	40,55,6,9	Calculated by Dept	November, May	Statutory	State Gen Fund
SB200	Class 8 Business Equip	TY99 - 6%	FY00 - None						
		TY00 - 6%-$5,000 Exempt	FY01	MV99*6%*ML99 - ADJMV99*6%*ML99	40,55,6,9 TIF's	current year mills	Doesn't Say	Statutory	State Gen Fund
		TY01 - 5%-$5,000 Exempt	FY02	MV99*6%*ML99 - ADJMV99*5%*ML99	40,55,6,9 TIF's	current year mills	Doesn't Say	Statutory	State Gen Fund
		TY02 - 4%-$7,500 Exempt	FY03	MV99*6%*ML99 - ADJMV99*4%*ML99	40,55,6,9 TIF's	current year mills	Doesn't Say	Statutory	State Gen Fund
		TY03 -3%-$7,500 Exempt	FY04 +	MV99*6%*ML99 - ADJMV99*3%*ML99	40,55,6,9 TIF's	current year mills	Doesn't Say	Statutory	State Gen Fund
				ADJMV99 = TY99 MV less progressive exemption					
HB174	Class 9/Class 13 Utility generating	TY99 - 12%	FY00 - None						
		TY00 & on - 6%	FY01 +	MVI * 12% * MLI - MVI * 6% * MLI I = current year	40,55,6,9	Calculated by Dept	November, May	Statutory	State Gen Fund
HB128	Class 9/Class 13 Telecom property	TY99 - 12%	FY00 - None						
		TY00 & on - 6%	FY01 +	RTETA * (Ratio of 3yr avg tax receipts from telecom property in jurisdiction I, to 3 yr average statewide tax receipts from telecom property)	None	Doesn't Say	90 days after end of each CY calendar Qtr	Statutory	Retail Telecom Acct
				RTETA = retail telecom excise tax account revenue					
SB184	Class 4 Residential	TY99 - 3.794%- 16%MV exempt	FY00	None	All				
		TY00 - 3.7105%-21%MV exempt	FY01	None	All				
		TY01 - 3.627%-26%MV exempt	FY02	None	All				
		TY02 - 3.5435%-30%MV exempt	FY03	None	All				
		TY03 - 3.46%-30%MV exempt	FY04 +	None	All				
SB184	Commercial	TY99 - 3.794%- 6.5%MV exempt	FY00	None	All				
		TY00 - 3.7105%-9%MV exempt	FY01	None	All				
		TY01 - 3.627%-11%MV exempt	FY02	None	All				
		TY02 - 3.5435%-13%MV exempt	FY03	None	All				
		TY03 - 3.46%-13%MV exempt	FY04 +	None	All				
SB184	Class 10 Timberland	TY99 - .79%	FY00	None	All				
		TY00 - .68%	FY01	None	All				
		TY01 - .57%	FY02	None	All				
		TY02 - .46%	FY03	None	All				
		TY03 - .35%	FY04 +	None	All				
SB280	Motor Vehicle	TY99 - 2%, loc option - .5%							
		TY00 - 1.4%, loc option - .7%	FY01	Revenue is distributed to all mills except 40 mills and 6 mills. If district GF is still short of collections in FY99, reimburse GF. The only other accounts that are reimbursed are 6 mills and 9 mills.			every 60 days starting March 10	Yes for 6 mills, 9 mills; none for district GF	State Gen Fund
		TY01 - 1.4% * 1/(1+growth in value	FY02+						
HB658	Oil & Gas Tax	Reduce rate on < 3 barrels/day	FY00 +	None	All				
HB661		Expand Stripper definition	FY00 +	None	All				
SB530		Reduce and simplify rates	FY00 +	None	All				

SENATE TAXATION
DATE 4/19/99
EXHIBIT NO. 11
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Requested by Representative Chase Hibbard

For the Senate Free Conference Committee

Prepared by Gregory Petesch
April 19, 1999 (8:56AM)

1. Page 179, line 11.
Following: "(1)"
Insert: "(a)"

2. Page 179, line 12.
Strike: "13"
Insert: "10"

3. Page 179, line 13.
Strike: "(A)"
Insert: "(i)"
Renumber: subsequent subsections

4. Page 179, line 17.
Following: line 16
Insert: "(b) the following members appointed by the governor:"

5. Page 179, line 16.
Strike: "(C) THREE MEMBERS APPOINTED BY THE MONTANA ASSOCIATION"
Insert: "(i) two representatives"
Renumber: subsequent subsections

6. Page 179, line 18.
Strike: "MEMBERS APPOINTED BY THE MONTANA LEAGUE"
Insert: "representatives"

7. Page 179, line 19.
Strike: "MEMBER APPOINTED BY THE MONTANA COUNTY TREASURERS ASSOCIATION"
Insert: "county treasurer"
Following: ";"
Insert: "and"

8. Page 179, lines 20 through 22.
Following: "GOVERNMENT" on line 20
Strike: remainder of line 20 through "GOVERNOR" on line 22

9. Page 179, line 25.
Following: "(3)"
Insert: "(a)"
Strike: "13"
Renumber: subsequent subsections

10. Page 180, line 2.
Following: line 1
Insert: "(b) the following members appointed by the governor:"

11. Page 179, line 9.
Strike: "(D)"
Insert: "(i)"
Strike: "MEMBER APPOINTED BY THE MONTANA LEAGUE"
Insert: "representative"
Renumber: subsequent subsections

12. Page 180, line 3.
Strike: "MEMBER APPOINTED BY THE MONTANA ASSOCIATION"
Insert: "representative"

13. Page 180, line 5.
Following: ";"
Insert: "and"

14. Page 180, lines 6 through 8.
Strike: "MEMBER REPRESENTING THE MONTANA ASSOCIATION OF CLERKS" on line 6
Insert: "clerk"
Following: "COURT" on line 6
Strike: remainder of line 6 through "GOVERNOR" on line 8

15. Page 181, line 22.
Strike: "$200,000"
Insert: "$55,000"

- END -

SENATE TAXATION
DATE 4/19/99
EXHIBIT NO. 12
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 19, 1999 (8:54AM)

1. Page 177, line 23.
Following: "174,"
Insert: "House Bill No. 420,"

2. Page 178, line 11.
Following: "174,"
Insert: "House Bill No. 420,"

- END -

SENATE TAXATION
DATE 4/19/99
EXHIBIT NO. 13
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Requested by Senator John Harp

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 19, 1999 (8:50AM)

1. Page 177, line 23.
Strike: "SENATE BILL NO. 260,"

2. Page 178, line 6 through line 8.
Strike: ";" on line 6 through "." on line 8

3. Page 178, line 12.
Strike: "SENATE BILL NO. 260,"

4. Page 178, line 13 through line 20.
Strike: subsections (3) and (4) in their entirety
Renumber: subsequent subsections

5. Page 182, line 21.
Strike: "SENATE BILL NO. 260,"

6. Page 182, line 23 page 183, line 18.
Strike: subsection (3) in its entirety
Renumber: subsequent subsections

7. Page 183, line 19.
Strike: ", SENATE BILL NO. 260,"

- END -

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 15
BILL NO. SB 184

SB184 Conference Committee - April 20, 1999

Financial Summary

Funding in SB184		$ 79,879,780
Appropriations		
Reimbursement to Local Governments and Schools	$ 62,100,000	
City of Billings - SB184 Reimbursement	$ 2,000,000	
City of Billings - SB260 Reimbursement	$ 750,000	
Office of Public Instruction - SB260 GTB/NLR Vehicles	$ 4,300,000	
Reimbursement of the 6 and 9 Mill Levies	$ 3,944,461	
Land Cap at 75% of Improvement Value	$ 1,030,000	
Administration - Department of Revenue	$ 1,738,121	
Total Appropriations		**$ 75,862,582**
General Fund Replacement		
Property Tax Decreases to General Fund - SB195 Lawsuit	$ 2,000,000	
Non-Levy Revenue Loss to General Fund	$ 2,017,198	
Total General Fund Replacement		**$ 4,017,198**
REMAINING BALANCE		- 0 -
Local Tax Relief Provided in Bills Reimbursed in SB184		
SB200 - Business Equipment tax	$ 44,849,335	
HB128 - Telecommunications Deregulation	$ 15,028,683	
HB174 - Electrical Deregulation	$ 2,156,039	
Total Estimated Local Gov./Schools Property Tax Reduction		$ 62,034,057
HB658 and SB530 - Oil and Gas Tax Reduction -Simplification		$ 2,089,087
Total Local Gov./School Tax Reduction Eligible for Reimbursement		**$ 64,123,144**
Reimbursement in SB184 (excluding Billings and OPI)		$ 62,100,000
Divided by local government and school Tax Reductions		$ 64,123,144
Equals Reimbursement Proportion		**96.84%**

SB184: SB184 retains current law with respect to these reimbursements, which provides for a phase-out of these reimbursements by tax year 2008.

Administration Issues

HB678: HB678 clearly would require significantly more resources to administer. First the reimbursement would require annual recalculations of the reimbursement amount available for every single taxing jurisdiction in the state. This would include the general fund of every school district in the state, as well as each school district's non-general fund accounts. Also, it is not known at this time how information on the total amount of depreciated MSRP value in each jurisdiction could be obtained.

SB184: Under SB184, calculations would not have to be done for school districts or for the countywide retirement and transportation accounts, as these are already provided for under other mechanisms in the bill. Reimbursements under SB184 would have to be calculated only for counties, cities and towns, and miscellaneous taxing jurisdictions. Calculations for both years are based on a single set of data gather only once for fiscal year 1998 (tax year 1997). A specific, workable approach to provide reimbursements related to motor vehicles is provided for in the language of the bill.

University and Welfare Levies

HB678: HB678 appears to exclude the 6-mill levy for the university system, and the 9-mill levy for state assumption of welfare from reimbursement.

SB184: SB184, combined with SB260, reimburses the 6-mill and 9-mill levy accounts through direct appropriations.

School Funding

HB678: HB678 works independently of SB100 (the school funding bill). HB678 provides $80 million in funding. If the effects of SB100 are added to the relief in HB678 it results in $90 million worth of combined reimbursements. However, this combination is not coordinated, resulting in schools getting relatively over-reimbursed, while cities and counties get relatively under-reimbursed.

SB184: SB184 works in conjunction with SB100 to reimburse the $85.8 million loss to schools and local governments in a manner that provides reimbursement relative to each jurisdiction's relative loss.

Reimbursement Funding – 2001 Biennium

HB678: HB678 provides an allocation of $80 million from the state general fund to the Department of Revenue for reimbursements to taxing jurisdictions during the 2001 biennium.

SB184: In SB184, funding for the reimbursements is provided through appropriations based on the fiscal note impacts for each piece of legislation for which reimbursements are being provided (HB128, HB174, SB200, HB658, SB530, and SB260). The total appropriation for fiscal year 2000 is $8,563,819 and the total appropriation for fiscal year 2001 is $29,672,370.

Reimbursement Funding – Future Biennniums

HB678: The reimbursement mechanism under HB678 is long-term and would be in place until the last taxing jurisdiction in the state for which the current year's tax base equals the 1998 tax base is reached. For future biennia, HB678 requires the Governor to include in the base budget prepared for each session "*the total reimbursable amount* for both years of the ensuing biennium,

increased or decreased by the same percentage that the previous year's individual income tax collections have changed from the 1999 tax year's individual tax collections". If the total reimbursement were in the 2001 biennium budget, the amount of reimbursement would be $53-$63 million higher.

SB184: SB184 automatically will continue to reimburse schools and the countywide retirement and transportation accounts through the changes in GTB and state share of funding provided for in the bill. Reimbursements to counties, cities and towns, and miscellaneous taxing jurisdictions would be dependent upon appropriations provided by future legislatures. In addition, SB184 contains language providing for an interim local government funding and structure committee to provide long-term solutions to intergovernmental funding.

Pro Rata (Proportional) Reimbursements

Neither HB678 nor SB184 provide for an open-ended appropriation to cover the entire calculated reimbursement cost. Both bills provide a fixed appropriation and specify that if the appropriation is insufficient to cover the calculated reimbursement amounts that each taxing jurisdiction will receive a share of the appropriation that is equal its share of the total calculated reimbursement amount.

Relationship to Sales of MPC Assets

In both bills, reimbursements to local government taxing jurisdictions are reduced as a consequence of the sale of MPC electric generation assets. HB678 reduces reimbursements because the sale will cause the tax base to grow, while SB184 specifically accounts for the post-sale value in calculating reimbursements relative to fiscal 1998 revenues.

Previous Reimbursement Mechanisms (HB20 and SB417)

HB678: HB678 repeals the reimbursements provided for in HB20 (1989 session) and SB417 (1995 session). Repealing these current law reimbursements has no relationship to the changes in the tax base provided for in the bill. Consequently, the net fiscal impact of HB678 is about $35 million (the $80 million appropriation for taxing jurisdictions less the $45 million general fund savings from repealing the current law reimbursements provided for in HB20 and SB417).

SB184: SB184 specifically takes into account the reduction of revenue in HB658 and SB530 by stating that the reimbursement will include any change in revenue as a direct consequence of these bills.

Growth Allowed in Reimbursements

HB678: HB678 reduces reimbursement amounts as taxing jurisdictions experience growth in their tax base, as defined in the bill. HB678 does not allow growth for new construction. Some jurisdictions will lose reimbursements before other jurisdictions depending on growth rates. For example, jurisdictions that experience very rapid growth in 1999 due to the sale of Montana Power Company generation assets are likely to drop out of the reimbursement calculations sooner than others; jurisdictions where growth is stagnant could receive reimbursements for a long time.

SB184: In SB184, taxing jurisdictions are provided reimbursements based on anticipated growth rates for various types of property contained in the specific bills covered under the proposal. This growth is reflected in the amount of the appropriation provided each year for reimbursements, as the appropriation is derived from fiscal note impacts of each bill covered under the proposal; the fiscal notes included anticipated growth in most cases. In addition, local government taxing jurisdictions specifically are allowed to increase property tax revenue for growth in taxable value stemming from new construction.

Jurisdictions Reimbursed

HB678: HB678 provides a reimbursement to every taxing jurisdiction except "the state" (what is included in "the state" is not always clear); this would include cities, towns, counties, school districts, tax increment financing districts, and special or miscellaneous taxing jurisdictions.

SB184: SB184 provides reimbursements to counties, cities and towns, and miscellaneous taxing jurisdictions. School districts' general funds and countywide school retirement accounts are reimbursed through changes in guaranteed tax base (GTB) amounts, and countywide transportation is reimbursed through an increase in the state portion of funding. State levies specifically excluded under the bill include the 40-mill statewide levy for school equalization, the 33-mill and 22-mill levies for elementary and high school districts, the 1.5-mill levy for vocational-technical schools, the 6-mill university levy, and the 9-mill levy for state assumption of welfare.

SENATE TAXATION
DATE 4/19/99
EXHIBIT NO. 14
BILL NO. SB 184

Comparison of HB678 and SB184 Reimbursement Mechanisms

Conceptual Approach

HB678: Under HB678, taxing jurisdictions will receive a reimbursement as long as their "tax base" in the current tax year is below the tax base for tax year 1998. Tax base in each current year is measured as total taxable value for property tax purposes plus depreciated MSRP for all light motor vehicles in the district. This is compared to the tax base in 1998, which is total taxable valuation in the district plus depreciated MSRP multiplied by a factor of 1.4.

SB184: Under SB184, taxing jurisdictions will receive a reimbursement if the taxes that would have been collected in fiscal 1998 with HB128, HB174, SB200, HB658, SB530, and SB260 in place are less than the actual taxes received in fiscal 1998.

Relationship to Specific Legislation

HB678: The reimbursement mechanism in HB678 is not directly related to other legislation passed during the session, but provides a reimbursement regardless of what occurs in all other legislation passed. In other words, removing the references to other legislation in HB678 would have no impact on the amount of reimbursement provided.

SB184: SB184 is specifically related to other legislation and provides a reimbursement that is directly measured by the effects of the legislation specified in the bill (HB128, HB174, SB200, HB658, SB530, and SB260).

Oil and Natural Gas Legislation

HB678: The reimbursement calculation in HB678 does not take into account reductions in oil and natural gas taxes to local taxing jurisdictions, even though HB658 and SB530 are specifically mentioned in the bill. This is because the reductions in the oil and gas bills are related to severance tax rate reductions and reallocation of revenue, whereas the reimbursement is based on changes in taxable valuation and motor vehicle values, neither of which include oil and gas changes.

Following: "."
Insert: "The increase in taxable valuation allocated to the governmental unit is considered newly taxable property in the recipient local government unit as provided in [section 1]."

8. Page 181, line 12.
Strike: "USE"
Insert: "request assistance from or the use of"

9. Page 181, line 14.
Following: "(8)"
Strike: "MEMBERS"
Insert: "(a) Except as provided in subsection (8)(b), members"
Following: "2-18-501"
Insert: "through 2-18-503"

10. Page 181, line 16.
Following: line 15
Insert: "(b) Legislators serving on the committees must be reimbursed and compensated as provided for in 5-2-302 for actual and necessary expenses incurred in attending meetings or conducting committee business."

11. Page 182, line 8.
Strike: "ADMINISTRATION"
Insert: "revenue"

12. Page 185.
Following: line 13
Insert: "(5) If Senate Bill No. 454 is passed and approved, but House Bill No. 622 is not passed and approved, then, in Senate Bill No. 454, [section 2 of the reference copy] must read as follows:

"NEW SECTION. Section 2. **Review of state payments in lieu of taxes.** The interim local government funding and structure committee created under [section 180 of the reference copy of Senate Bill No. 184] shall include in its study of funding local government a review of state payments in lieu of taxes to local governments from grazing, agricultural, and forest activities that are self-supporting or that compete with private enterprise."

(6) If House Bill No. 622 and [this act] are both passed and approved and both bills commission local government and court funding and structure studies that are substantially the same,

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 16
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Technical Amendments

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 20, 1999 (6:42PM)

Technical Amendments:
Reinserts general municipal levy section
Corrects assessment standard for class 4
Corrects provisions relating to hard rock mining impacts
Corrects reference in appropriation
Clarifies legislator service on committees
Inserts severability clause
Terminates reimbursement section

1. Title, page 1, line 22.
Following: "~~7-6-4405,~~"
Insert: "7-6-4401,"

2. Title, page 2, line 18.
Strike: "90-6-309,"

3. Page 22.
Following: line 15
Insert: "**Section 25.** Section 7-6-4401, MCA, is amended to read:
"**7-6-4401. General taxing power of municipalities.** ~~The~~ Subject to [section 1], the city or town council ~~has power to~~ may levy and collect taxes for general and special purposes on all property within the ~~town or~~ city or town subject to taxation under the laws of the state."
{*Internal References to 7-6-4401: None.*}"
Renumber: subsequent sections

4. Page 93, line 26.
Strike: "100%"
Insert: "the applicable percentage"

5. Page 173, line 21 through page 174, line 13.
Strike: section 175 in its entirety
Renumber: subsequent sections

6. Page 176, line 22.
Strike: "[section 1 and"

7. Page 176, line 22.

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 17
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Requested by Senator Dorothy Eck

Reinserts Caps
Deletes Vacant Lots

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 20, 1999 (6:34PM)

1. Page 83, line 13.
Following: "~~and~~"
Insert: "and"

2. Page 83, line 17.
Strike: "; AND"
Insert: "."

3. Page 83, line 16.
Strike: subsection (iv) in its entirety

4. Page 83, line 17.
Strike: "(I)"
Strike: "; AND"
Insert: "."

5. Page 83, line 18.
Strike: subsection (ii) in its entirety

6. Page 87, line 12.
Strike: Amendment No. 6, adopted April 17, 1999 (SB018416.alh)

7. Page 87, line 13.
Following: "property"
Insert: ", or for rental multifamily dwelling units, the first $200,000 or less for each rental unit,"

8. Page 87, line 18.
Strike: Amendment No. 11, adopted April 17, 1999 (SB018416.alh)

- END -

then House Bill No. 622 is void."

13. Page 185, line 17.
Insert: "NEW SECTION. **Section 184. {standard} Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."
Renumber: subsequent sections

14. Page 186, line 7.
Following: "TERMINATION."
Insert: "(1)"

15. Page 186, line 8.
Insert: "(2) [Section 179] terminates December 31, 2001."

[adjust internal references at adoption]

- END -

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 19
BILL NO. SB184

Amendments to Senate Bill No. 184
Reference Copy

OPI / DOR Combo

Requested by Senator Dorothy Eck

For the Senate Conference Committee

Prepared by Lee Heiman
April 20, 1999 (3:00PM)

1. Title, page 2, line 8.
Strike: "20-6-413,"

2. Title, page 2, line 9.
Strike: "20-9-303, 20-9-308,"
Strike: "20-9-438,"

3. Page 2, line 25 through page 3, line 3.
Strike: "(1)" on page 2, line 25 through "unit." on page 3, line 3
Insert: "(1) A governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year, even if that levy is greater than the levy established by law. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the value of newly taxable property.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1) plus any additional levies authorized by the voters to all property in the governmental unit, including newly taxable property.

(3) For purposes of this section, newly taxable property includes:

(i) annexation of real property and improvements into a taxing unit;

(ii) construction, expansion, or remodeling of improvements;

(iii) transfer of property into a taxing unit;

(iv) subdivision of real property;

(v) reclassification of property;

(vi) transfer of property from tax-exempt to taxable status; and

(vii) revaluations caused by expansion, addition, replacement, or remodeling of improvements."
Renumber: subsequent subsections

Over →

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 18
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Includes SB 184 in Reimbursement

Requested by Senator Dorothy Eck

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 19, 1999 (2:53PM)

1. Page 177, line 23.
Following: line 22
Insert: "[this act],"

2. Page 178, line 11.
Following: "IF"
Insert: "[this act],"

- END -

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 22
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Changes School Funding and appropriations

For the Senate Free Conference Committee

Prepared by Lee Heiman
April 20, 1999 (6:43PM)

1. Title, page 2, line 9.
Strike: "20-9-366,"

2. Title, page 2, line 10.
Strike: "20-10-144, 20-10-145,"

3. Page 87, line 17.
Following: ";"
Strike: "and"

4. Page 87, line 23.
Following: "years"
Insert: "; and (bb) the percentage of valuation of land calculated pursuant to 15-7-111(4)"

5. Page 92, line 6.
Following: line 5
Insert: "(4) (a) If the value of an individual property is equal to or less than 75% of the appraised value of the improvements situated on the land, then the assessed value of the land is the land's appraised value as phased in under subsection (1) and the other provisions of subsection (1) do not apply.

(b) Subject to subsection (4)(c), if the value of an individual property is greater than 75% of the appraised value of the improvements situated on the land, then the value of the land must be determined as follows:

(i) the department shall calculate the average value of improvements in the state;

(ii) if the value of the improvements on an individual property is greater than the state average value of improvements, then the land is valued at 75% of the appraised value of the improvements situated on the land and the remainder of the land value is exempt from taxation; and

(iii) if the value of the improvements on an individual property is less than or equal to the statewide average value of improvements, then the land is valued at 75% of the statewide average value of improvements and the remainder of the land value

is exempt from taxation.

(c) The value of land upon which improvements are situated may not exceed the phased-in value of the land.

(5) For purposes of subsection (4), the following definitions apply:

(a) "average value of improvements" means the statewide arithmetic mean of the appraised value of all improvements that have a market value in excess of $7,500;

(b) "improvements" means residential dwellings and includes housetrailers, mobile homes, and manufactured homes;

(c) "land" includes contiguous parcels or lots under single ownership up to 5 acres."

6. Page 111, line 25.
Following: "(C)"
Insert: "anticipated"
Following: "taxes"
Insert: "and reimbursements for lost taxes"

7. Page 111, line 30.
Following: "other"
Insert: "anticipated"

8. Page 112, line 1.
Strike: "excluding"
Insert: "including any reimbursements for property tax reductions but not including"

9. Page 119, line 16 through page 120, line 17.
Strike: section 119 in its entirety
Renumber: subsequent sections

10. Page 127, line 28 through page 134, line 18.
Strike: section 122 through section 125 in their entirety
Renumber: subsequent sections

11. Page 177, line 28.
Following: "GOVERNMENT,"
Insert: "school district,"

12. Page 177, lines 29 and 30.
Following: first "DISTRICTS"
Strike: ","
Insert: "or"
Strike: ", SCHOOL" on line 29 through second "LEVIES" on line 30

13. Page 179, line 9.
Insert: "(8) (a) A charter form of local government that has a

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 21
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Tax Increment Finance Districts

For the Senate Conference Committee

Prepared by Lee Heiman
April 20, 1999 (7:54PM)

1. Title, page 1, line 15.
Strike: ", UNDER CERTAIN CONDITIONS,"

2. Page 177, line 29.
Strike: "TAX INCREMENT FINANCING DISTRICTS,"

3. Page 178, line 25.
Following: "(6)"
Insert: "(a)"

4. Page 179, line 1 through line 5.
Strike: "HOWEVER" on line 1 through "SO." on line 5
Insert: "Except as provided in subsections (6)(b), each tax increment financing district must receive the benefit of the reimbursement based on the loss to the incremental taxable value of the district.

(b) A tax increment financing district that consists of an industrial district created under 7-15-4299 may not receive any reimbursement under subsection (6)(a)."

5. Page 182, line 10.
Following: "line 9"
Insert: "(7) There is appropriated from the general fund $600,000 to the department of revenue for the biennium ending June 30, 2001 for reimbursement to tax increment financing districts created pursuant to 7-15-4299."

- END -

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 20
BILL NO. SB 184

Amendments to Senate Bill No. 184
Reference Copy

Corrects Economic Development Levy Length

Requested by Representative Dan Harrington

For the Senate Conference Committee

Prepared by Lee Heiman
April 19, 1999 (8:27AM)

1. Page 173, line 20.
Insert: "(4) A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied for a period not to exceed 6 years."

- END -

charter provision that prohibits an increase in the number of mills that may be levied to compensate for the loss of taxable value, as authorized in [section 1], is entitled to further reimbursement in addition to that computed under subsections (1) through (7) of this section.

(b) The amount of reimbursement is equal to the difference between the amount of the reimbursement calculated under subsections (1) through (7) and the amount of property tax imposed in tax year 1998. If the amount appropriated for the reimbursement under this subsection (8) is insufficient to fully fund all the jurisdictions entitled to reimbursement, the payments must be prorated to the jurisdictions. The payments must be made with the payments made under subsections (1) through (7)."

14. Page 181, line 25.
Strike: "$29,020,607"
Insert: "$1,980,000"

15. Page 181, line 27.
Strike: "$7,512,257"
Insert: "$2,229,934"

16. Page 181, line 28.
Strike: the first "THE" through "2001"
Insert: "state reimbursements for motor vehicle fee reductions under 61-3-509"

17. Page 181, lines 29 and 30.
Strike: subsection (5) in its entirety
Renumber: subsequent subsections

18. Page 182, line 1.
Strike: "APPROPRIATED"
Insert: "transferred"

19. Page 182, lines 4 through 6.
Strike: subsection (7) in its entirety
Renumber: subsequent subsections

20. Page 182, line 7.
Strike: "$8,563,819"
Insert: "$12,900,000"

21. Page 182, line 8.
Strike: "$29,672,370"
Insert: "$54,934,392"

Strike: "ADMINISTRATION"
Insert: "revenue"

22. Page 182, line 9.
Following: "179"
Insert: "(1) through (7)"

23. Page 182, line 10.
Insert: "(8) There is appropriated from the general fund $1.5 million for the biennium ending June 30, 2001, to the department of revenue for the costs of administration.

(9) There is appropriated from the general fund $2.15 million for the biennium ending June 30, 2001, to the department of revenue for the reimbursements calculated in [section 179(8)].

~~(10) There is appropriated from the general fund $600,000 to the department of revenue for the biennium ending June 30, 2001 for reimbursement to tax increment financing districts created pursuant to 7-15-4299.~~

(11) The governor shall include the sum of the reimbursements in this section in the present law base budget prepared for the 57th legislative session."

24. Page 182, line 23.
Following: line 22
Insert: "(2) If Senate Bill No. 260 and [this act] are both passed and approved, then [section 3] of Senate Bill No. 260, amending 61-3-509, must read as follows:

"61-3-509. Disposition of taxes. (1) Except as provided in subsection (2), the county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521, 61-3-527, 61-3-529, and 61-3-537, to a motor vehicle suspense fund. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund. Except for taxes collected under 61-3-504, the county treasurer shall distribute the money in the fund in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed. For money in the fund collected under 61-3-504, the county treasurer shall disregard the statewide mills levied for the university system and the mills levied for state equalization aid under 20-9-360 in determining distribution proportions of the money and may not distribute money from 61-3-504 to the state for either levy. If the distribution of money collected under 61-3-504 to a school district general fund results in a lower revenue than the

district received in fiscal year 1999 and the district has, for all years after fiscal year 1999, received less revenue than fiscal year 1999, then the district general fund is entitled to state reimbursement for the amount of the difference between the fiscal year 1999 revenue and the prior school fiscal year revenue under 61-3-504. Prior to January 31, the office of public instruction shall distribute to each school district an amount equal to the state reimbursement for the prior school year.

(2) The county treasurer shall deduct as a district court fee ~~7%~~ 10% of the amount of the ~~2%~~ tax collected on light vehicles under 61-3-504(1). The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the state special revenue fund to be used for purposes of state funding of district court expenses as provided in 3-5-901."

Renumber: subsequent subsections

25. Page 183, line 19.
Strike: "HOUSE BILL NO. 90,"
Following: "260"
Strike: ","

26. Page 183, line 20.
Following: "THEN"
Insert: "section 20-9-141 in House Bill No. 90 is void and"

27. Page 184, line 6.
Following: "~~following:~~"
Insert: "amounts received in the last fiscal year for which revenue reporting was required for each of the following:

(A) revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-521, 61-3-527, 61-3-529, and 67-3-204;

(B) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4); and

(C) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid;"

28. Page 184, line 7.
Following: "~~(A)~~"
Insert: "(iii)"
Renumber: subsequent subsections

29. Page 184, line 10.

Strike: "23-2-517, 23-2-803,"
Following: "61-3-504"
Strike: ","

30. Page 184, line 11.
Strike: "61-3-521, 61-3-527, 61-3-529,"
Insert: "and"
Strike: "and 67-3-204"
Insert: "which for the fiscal year beginning July 1, 2000, may not be less than 75% of the previous year's revenue from these sources"

31. Page 184, line 13.
Following: "15-23-703"
Insert: "and property tax reimbursements under 15-1-111, 15-1-112, and [section 179]"
Following: ";"
Insert: "and"

32. Page 184, lines 14 and 15.
Strike: subsection (vi) in its entirety
Renumber: subsequent subsections

33. Page 184, line 17 through line 19.
Strike: ";" on line 17 through "aid" on line 19

34. Page 185, line 13.
Following: "15-23-703"
Insert: "and property tax reimbursements under 15-1-111, 15-1-112, and [section 179]"

- END -

LEGISLATIVE TAPE LOG

COMMITTEE: Free Conf. Com. SB 184

DATE: 4/16-17-19/99

		MINUTES	CONTENT NOTES
		8.1	Presentation by Jim Stendhert
		28.3	Harp Amendment SB0184 16. aeh
		50.3	Discussion on the Reimbursement Mechanism in the Bills
		84.0	Recess on Saturday
Tape 2 Side A	4/19/99	0	Hibbert amendment SB0184 12. agp
		15.2	Harp amendment SB0184 20. aeh
		61.2	Discussion of Funck Comparisons
Tape 2 Side B		25.8	Recessed at 11:00 a.m. 4/19/99 Reconvened at 8:30 a.m. 4/20/99
		27.9	Department of Revenue Spreadsheet
Tape 3 Side 1		11.1	Evening Session 4/20/99

Tax Relief Provided by the 1999 Legislature (Excluding SB100)
Fiscal 2001
4/20/1999 @ 1:15 PM

Class	Description	Tax Relief Without ANY Floating				Tax Relief With SB184 Floating				Tax Relief With Additional Floating 4/19/99			
		Current Law	Proposal	Difference From Current Law	% Change From Current Law	Current Law	Proposal	Difference From Current Law	% Change From Current Law	Current Law	Proposal	Difference From Current Law	% Change From Current Law
1	Net Proceeds	2,348,632	2,359,221	0	0.0%	2,348,632	2,444,153	95,521	4.1%	2,348,632	2,467,177	118,545	5.0%
2	Gross Proceeds	2,884,510	2,905,782	0	0.0%	2,884,510	3,010,390	125,880	4.4%	2,884,510	3,038,748	154,238	5.3%
3	Agricultural Land	55,929,966	54,765,740	(1,164,226)	-2.1%	55,929,966	56,737,306	807,340	1.4%	55,929,966	57,271,771	1,341,805	2.4%
4	Residential Real	327,221,851	293,552,112	(33,669,739)	-10.3%	327,221,851	304,119,988	(23,101,863)	-7.1%	327,221,851	306,984,793	(20,237,058)	-6.2%
4	Commercial Real	122,950,278	119,503,421	(3,446,857)	-2.8%	122,950,278	123,805,544	855,266	0.7%	122,950,278	124,971,790	2,021,512	1.6%
5	Co-ops, Pollution Control	12,025,324	12,064,715	0	0.0%	12,025,324	12,499,045	473,721	3.9%	12,025,324	12,616,786	591,462	4.9%
6	Livestock	8,231,561	5,391,686	(2,839,875)	-34.5%	8,231,561	5,585,787	(2,645,774)	-32.1%	8,231,561	5,638,405	(2,593,156)	-31.5%
7	Independent Telephone	609,013	141,978	(467,035)	-76.7%	609,013	147,090	(461,923)	-75.8%	609,013	148,475	(460,538)	-75.6%
8	Business Equipment	85,603,135	47,143,706	(38,459,428)	-44.9%	85,603,135	48,840,880	(36,762,255)	-42.9%	85,603,135	49,300,960	(36,302,175)	-42.4%
9	Utilities	170,944,842	145,612,094	(25,332,747)	-14.8%	170,944,842	150,854,130	(20,090,712)	-11.8%	170,944,842	152,275,173	(18,669,669)	-10.9%
10	Timber Land	2,990,799	2,988,028	(2,771)	-0.1%	2,990,799	3,095,597	104,798	3.5%	2,990,799	3,124,758	133,958	4.5%
12	Railroads and Airlines	27,485,144	21,743,216	(5,741,928)	-20.9%	27,485,144	22,525,972	(4,959,172)	-18.0%	27,485,144	22,738,166	(4,746,978)	-17.3%
	Total Property	819,225,054	708,171,700	(111,124,606)	-13.6%	819,225,054	733,665,881	(85,559,173)	-10.4%	819,225,054	740,577,000	(78,648,054)	-9.6%

Reimbursement Costs of Bills w/Property Tax Reimbursement

SB184 w/ Floating Mills

April 13, 1999

FY2000

Bill Number	General Fund	State Special Revenue	Cities/Towns	County Gov	County Ret	County Trans	School GF	Schools Other	Total Local Gov and Schools	TOTAL
SB184	(6,796,592)	(683,039)	0	0	0	0	0	0	0	(7,479,631)
HB128	0	0	0	0	0	0	0	0	0	0
HB174 (3rd reading)	0	0	0	0	0	0	0	0	0	0
HB658 & SB530	(274,163)	(29,475)	0	(307,282)	(90,287)	0	(238,193)	(60,601)	(696,362)	(1,000,000)
SB200 (Governor signed)	(4,102,856)	(393,480)	(1,174,774)	(3,980,552)	(977,741)	(154,593)	(4,138,247)	(1,062,862)	(11,488,780)	(15,985,116)
SB260 (1.4%) - signed	(5,342,162)	(689,464)	(715,573)	(2,385,638)	(612,199)	(98,406)	(2,554,773)	(638,693)	(7,005,282)	(13,036,908)
Subtotal	(16,515,772)	(1,795,458)	(1,890,347)	(6,673,472)	(1,680,227)	(252,999)	(6,931,213)	(1,762,155)	(19,190,424)	(37,501,655)

FY2001

Bill Number	General Fund	State Special Revenue	Cities/Towns	County Gov	County Ret	County Trans	School GF	Schools Other	Total Local Gov and Schools	TOTAL
SB184	(7,957,393)	(799,696)	0	0	0	0	0	0	0	(8,757,089)
HB128	(4,220,484)	(449,284)	(1,536,743)	(5,207,033)	(1,279,001)	(202,226)	(5,413,317)	(1,390,349)	(15,028,683)	(19,698,451)
HB174 (3rd reading)	(6,142,829)	(387,969)	(88,185)	(745,104)	(248,034)	(46,532)	(900,663)	(127,519)	(2,156,039)	(8,686,837)
HB658 & SB530	(548,325)	(58,950)	0	(614,564)	(180,573)	0	(476,385)	(121,202)	(1,392,725)	(2,000,000)
SB200 (Governor signed)	(11,913,670)	(1,142,568)	(3,411,250)	(11,558,531)	(2,839,117)	(448,900)	(12,016,438)	(3,086,285)	(33,360,555)	(46,416,793)
SB260 (1.4%) - signed	(11,215,807)	(1,447,523)	(1,502,338)	(5,008,618)	(1,285,305)	(206,603)	(5,363,716)	(1,340,929)	(14,707,509)	(27,370,839)
Subtotal	(41,998,509)	(4,285,990)	(6,538,517)	(23,133,851)	(5,832,030)	(904,261)	(24,170,519)	(6,066,284)	(66,645,511)	(112,930,009)

GENERAL FUND and STATE SPECIAL REVENUE IMPACT 2001 BIENNIUM	
FY2000	(18,311,230)
FY2001	(46,284,499)
TOTAL	$ (64,595,729)

LOCAL GOV & SCHOOLS 2001 BIENNIUM	
FY2000	(19,190,424)
FY2001	(66,645,511)
TOTAL	$ (85,835,935)

Reimbursement Costs of Bills w/Property Tax Reimbursement

SB184 w/ Floating Mills

— Reimbursement figures for HB128, HB174 and SB200 are based on FY96 taxable value losses, if these bills had been in effect for FY98 —

April 20, 1998

FY2000

Bill Number	General Fund	State Special Revenue	Cities/Towns	County Gov	County Ret	County Trans	School GF	Schools Other	Total Local Gov and Schools	TOTAL
SB184	(6,796,592)	(683,039)	0	0	0	0	0	0	0	(7,479,631)
HB128	0	0	0	0	0	0	0	0	0	0
HB174 (3rd reading)	0	0	0	0	0	0	0	0	0	0
HB658 & SB530	(274,163)	(29,475)	0	(307,282)	(90,287)	0	(238,193)	(60,601)	(696,362)	(1,000,000)
SB200 (Governor signed)	(3,731,757)	(357,890)	(1,088,517)	(3,620,515)	(889,305)	(140,610)	(3,763,947)	(966,727)	(10,449,632)	(14,539,279)
SB260 (1.4%) - signed	(5,342,162)	(689,464)	(715,573)	(2,385,638)	(612,199)	(98,406)	(2,554,773)	(638,693)	(7,005,282)	(13,036,908)
Subtotal	(16,144,673)	(1,759,868)	(1,784,090)	(6,313,436)	(1,591,791)	(239,016)	(6,556,913)	(1,666,021)	(18,151,276)	(36,055,818)
			(3,620,515)	(889,305)	(140,610)	(1,088,517)	(3,763,947)	(966,727)		

FY2001

Bill Number	General Fund	State Special Revenue	Cities/Towns	County Gov	County Ret	County Trans	School GF	Schools Other	Total Local Gov and Schools	TOTAL
SB184	(7,957,393)	(799,696)	0	0	0	0	0	0	0	(8,757,089)
HB128	(4,137,729)	(440,475)	(1,506,611)	(5,104,934)	(1,253,923)	(198,261)	(5,307,173)	(1,363,087)	(14,733,988)	(19,312,192)
HB174 (3rd reading)	(6,022,381)	(380,362)	(86,456)	(730,494)	(243,171)	(45,620)	(883,003)	(125,018)	(2,113,764)	(8,516,507)
HB658 & SB530	(548,325)	(58,950)	0	(614,564)	(180,573)	0	(476,385)	(121,202)	(1,392,725)	(2,000,000)
SB200 (Governor signed)	(10,749,911)	(1,030,959)	(3,078,030)	(10,429,483)	(2,561,784)	(405,050)	(10,842,640)	(2,784,808)	(30,101,806)	(41,882,676)
SB260 (1.4%) - signed	(11,215,807)	(1,447,523)	(1,502,338)	(5,008,818)	(1,285,305)	(206,603)	(5,363,716)	(1,340,929)	(14,707,509)	(27,370,839)
Subtotal	(40,631,547)	(4,157,964)	(6,173,435)	(21,888,074)	(5,524,756)	(855,534)	(22,872,918)	(5,735,045)	(63,049,792)	(107,839,303)

GENERAL FUND and STATE SPECIAL REVENUE IMPACT 2001 BIENNIUM

FY2000	(17,904,542)
FY2001	(44,789,511)
TOTAL	$ (62,694,053)

LOCAL GOV & SCHOOLS 2001 BIENNIUM

FY2000	(18,151,276)
FY2001	(63,049,792)
TOTAL	$ (81,201,068)

For SB184 Conference Committee
Local Government and Schools 2001 Biennium Tax Relief - Excluding SB100
(Showing reimbursed and unreimbursed Portions of tax relief)
April 20, 1999 @ 7:56 p.m.

Local Gov./School Tax Relief	FY 2000	FY 2001	2001 Biennium
Local Government and Schools	$ 19,190,424	$ 66,645,511	$ 85,835,935
Unfunded Tax Relief in SB184	$ 26,406,678	$ 26,406,678	$ 52,813,356
Total Local Gov./School tax Relief	$ 45,597,102	$ 93,052,189	$ 138,649,291
Reimbursed and/or Floated Mills			
GF Appropriation for SB184	$ 12,900,000	$ 54,934,392	$ 67,834,392
City of Billings - SB184 Reimbursement	$ 1,000,000	$ 1,000,000	$ 2,000,000
City of Billings - SB260 Reimbursement	$ 50,000	$ 100,000	$ 150,000
TIF Section 7-15-4299, MCA	$ 200,000	$ 400,000	$ 600,000
OPI - SB260 GTB/NLR Vehicles	$ 1,000,000	$ 3,300,000	$ 4,300,000
SB184 with Mill Levy Float	$ 26,406,678	$ 26,406,678	$ 52,813,356
Additional Mill Levy Float - 4-19-1999	$ 4,040,424	$ 6,911,119	$ 10,951,543
Total Local Gov./School Tax Relief	$ 45,597,102	$ 93,052,189	$ 138,649,291

SB184 Conference Committee - April 20, 1999 @7:56 p.m.

Financial Summary

Funding in SB184		$ 79,879,780
Appropriations		
Reimbursement to Local Governments and Schools	$ 67,834,392	
City of Billings - SB184 Reimbursement	$ 2,000,000	
City of Billings - SB260 Reimbursement	$ 150,000	
TIF Section 7-15-4299, MCA	$ 600,000	
Office of Public Instruction - SB260 GTE/NLR Vehicles	$ 4,300,000	
Reimbursement of the 6 Mill Levies	$ 2,465,388	
Land Cap at 75% of Improvement Value	$ 1,030,000	
Administration - Department of Revenue	$ 1,500,000	
Total Appropriations		$ 79,879,780
REMAINING BALANCE		- 0 -

Local Tax Relief Provided in Bills Reimbursed in SB184 - GROWTH		
SB200 - Business Equipment tax	$ 44,849,335	
HB128 - Telecommunications Deregulation	$ 15,028,683	
HB174 - Electrical Deregulation	$ 2,156,039	
Total Estimated Local Gov./Schools Property Tax Reduction		$ 62,034,057
HB658 and SB530 - Oil and Gas Tax Reduction -Simplification		$ 2,089,087
Total Local Gov./School Tax Reduction Eligible for Reimbursement		**$ 64,123,144**
Reimbursement in SB184		$ 74,884,392
Divided by local government and school Tax Reductions		$ 64,123,144
Equals Reimbursement Proportion		**116.78%**

Local Tax Relief Provided in Bills Reimbursed in SB184 - FY1999 LEVELS		
SB200 - Business Equipment tax	$ 40,551,438	
HB128 - Telecommunications Deregulation	$ 14,733,988	
HB174 - Electrical Deregulation	$ 2,113,764	
Total Estimated Local Gov./Schools Property Tax Reduction		$ 57,399,190
HB658 and SB530 - Oil and Gas Tax Reduction -Simplification		$ 2,089,087
Total Local Gov./School Tax Reduction Eligible for Reimbursement		**$ 59,488,277**
Reimbursement in SB184		$ 74,884,392
Divided by local government and school Tax Reductions		$ 59,488,277
Equals Reimbursement Proportion		**125.88%**

SENATE TAXATION
DATE 4/20/99
EXHIBIT NO. 23
BILL NO. SB 184

MONTANA SENATE
1999 LEGISLATURE
~~TAXATION~~ COMMITTEE

ROLL CALL DATE 4/16,17,19,20/97

Free Conf. Comm. on SB 184

NAME	PRESENT	ABSENT	EXCUSED
Sen Grosfield	✓		
Sen. Harp	✓		
Sen. Eck	✓		
Rep. Story	✓		
Rep. Hibbard	✓		
Rep. Harrington	✓		

FREE CONFERENCE COMMITTEE

on Senate Bill 184
Report No. 1, April 21, 1999

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **Senate Bill 184** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

For the Senate:

Chair

For the House:

Chair

Amendment Coordinator

Secretary of Senate

And, recommend that **Senate Bill 184** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 8 through line 10.
Strike: "PROVIDING" on line 8 through "LEVIES;" on line 10

2. Title, page 1, line 15.
Strike: ", UNDER CERTAIN CONDITIONS,"

3. Title, page 1, line 18.

ADOPT **AC SB 184-1**

REJECT **870737FC.sjo**

SP

Strike: "FOR AN APPROPRIATION"
Insert: "APPROPRIATIONS"

4. Title, page 1, line 22.
Following: "~~7-6-4405,~~"
Insert: "7-6-4401,"

5. Title, page 2, line 5.
Strike: "15-8-201,"

6. Title, page 2, line 8.
Strike: "20-6-413,"

7. Title, page 2, line 9.
Strike: "20-9-303, 20-9-308,"
Strike: "20-9-366,"
Strike: "20-9-438,"

8. Title, page 2, line 10.
Strike: "20-10-144, 20-10-145,"

9. Title, page 2, line 18.
Strike: "90-6-309,"

10. Title, page 2, line 20.
Following: "~~RETROACTIVE~~"
Insert: "A RETROACTIVE"

11. Title, page 2, line 21.
Strike: "DATES"
Insert: "DATE"

12. Page 2, line 25 through page 3, line 3.
Strike: "(1)" on page 2, line 25 through "unit." on page 3, line 3
Insert: "(1) A governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year, even if that levy is greater than the levy established by law. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the value of newly taxable property.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1) plus any additional levies authorized

by the voters to all property in the governmental unit, including newly taxable property.

(3) For purposes of this section, newly taxable property includes:

(a) annexation of real property and improvements into a taxing unit;

(b) construction, expansion, or remodeling of improvements;

(c) transfer of property into a taxing unit;

(d) subdivision of real property;

(e) reclassification of property;

(f) transfer of property from tax-exempt to taxable status; and

(g) revaluations caused by expansion, addition, replacement, or remodeling of improvements."

Renumber: subsequent subsections

13. Page 3, line 18 through line 20.

Strike: the first "THE" on line 18 through "20-10-144. on line 20"

Insert: "school district general fund levies and the school district levy for tuition obligations established in 20-5-324(5)."

14. Page 3, line 23 through line 29.

Strike: subsections (5) and (6) in their entirety

Insert: "(6) In determining the maximum number of mills in subsection (1), the governmental entity shall take into account any change from the prior year in the amount of statutory reimbursements for changes in the property tax laws. It may increase the number of mills to account for a decrease in reimbursements and shall decrease the number of mills to fully account for any increase in reimbursements."

Renumber: subsequent subsections

15. Page 4, line 8 through page 5, line 4.

Strike: sections 2 and 3 in their entirety

Renumber: subsequent sections

16. Page 22.

Following: line 15

Insert: "**Section 23.** Section 7-6-4401, MCA, is amended to read:

"**7-6-4401. General taxing power of municipalities.** ~~The~~ Subject to [section 1], the city or town council ~~has power to~~ may levy and collect taxes for general and special purposes on all property within the ~~town or~~ city or town subject to taxation under the laws of the state.""

Renumber: subsequent sections

17. Page 83, line 24.

Strike: "0.167%"
Insert: "0.0835"

18. Page 83, line 25.
Strike: "3.126%"
Insert: "3.46%"

19. Page 87, line 12.
Strike: "OF THE FIRST $200,000 OR LESS"

20. Page 87, line 14.
Strike: "19%"
Insert: "16%"

21. Page 87, line 15.
Strike: "27.5%"
Insert: "23%"

22. Page 87, line 16.
Strike: "33%"
Insert: "27.5%"

23. Page 87, line 17.
Strike: "38%"
Insert: "31%"
Following: ";"
Strike: "and"

24. Page 87, line 18.
Strike: "OF THE FIRST $200,000 OR LESS"

25. Page 87, line 23.
Following: "years"
Insert: "; and (bb) the percentage of valuation of land calculated pursuant to 15-7-111(4)"

26. Page 92, line 6.
Following: line 5
Insert: "(4) (a) If the value of an individual property is equal to or less than 75% of the appraised value of the improvements situated on the land, then the assessed value of the land is the land's appraised value as phased in under subsection (1) and the other provisions of subsection (1) do not apply.

(b) Subject to subsection (4)(c), if the value of an individual property is greater than 75% of the appraised value of the improvements situated on the land, then the value of the land must be determined as follows:

(i) the department shall calculate the average value of

improvements in the state;

(ii) if the value of the improvements on an individual property is greater than the state average value of improvements, then the land is valued at 75% of the appraised value of the improvements situated on the land and the remainder of the land value is exempt from taxation; and

(iii) if the value of the improvements on an individual property is less than or equal to the state average value of improvements, then the land is valued at 75% of the appraised value of the improvements situated on the land and the remainder of the land value is exempt from taxation.

(c) The value of land upon which improvements are situated may not exceed the phased-in value of the land.

(5) For purposes of subsection (4), the following definitions apply:

(a) "average value of improvements" means the statewide arithmetic mean of the appraised value of all improvements that have a market value in excess of $7,500;

(b) "improvements" means residential dwellings and includes housetrailers, mobile homes, and manufactured homes;

(c) "land" includes contiguous parcels or lots under single ownership up to 5 acres."

27. Page 93, line 26.
Strike: "100%"
Insert: "the applicable percentage"

28. Page 93, line 27.
Following: "(z)"
Insert: ","
Strike: "and"
Following: "(aa)"
Insert: ", and (1)(bb)"

29. Page 94, line 6 through line 30.
Strike: section 91 in its entirety
Renumber: subsequent sections

30. Page 108, line 16 through page 109, line 6.
Strike: section 105 in its entirety
Renumber: subsequent sections

31. Page 111, line 25.
Following: "(C)"
Insert: "anticipated"
Following: "taxes"
Insert: "and reimbursements for lost taxes"

32. Page 111, line 30.

Following: "other"
Insert: "anticipated"

33. Page 112, line 1.
Strike: "excluding"
Insert: "including any reimbursements for property tax reductions but not including"

34. Page 114, line 11 through page 116, line 25.
Strike: sections 114 and 115 in their entirety
Renumber: subsequent sections

35. Page 119, line 16 through page 120, line 17.
Strike: section 119 in its entirety
Renumber: subsequent sections

36. Page 120, line 27 through page 121, line 23.
Strike: section 121 in its entirety
Renumber: subsequent sections

37. Page 127, line 28 through page 134, line 18.
Strike: section 122 through section 125 in their entirety
Renumber: subsequent sections

38. Page 173, line 20.
Insert: "(4) A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied for a period not to exceed 6 years."

39. Page 173, line 21 through page 174, line 13.
Strike: section 175 in its entirety
Renumber: subsequent sections

40. Page 176, line 23.
Following: "."
Insert: "The increase in taxable valuation allocated to the local government unit is considered newly taxable property in the recipient local government unit as provided in [section 1]."

41. Page 177, line 23.
Following: "174,"
Insert: "House Bill No. 420,"
Strike: "SENATE BILL NO. 260,"

42. Page 177, line 28.
Following: "GOVERNMENT,"
Insert: "school district,"

43. Page 177, lines 29 and 30.
Strike: "TAX INCREMENT FINANCING DISTRICTS,"
Strike: ", SCHOOL" on line 29 through second "LEVIES" on line 30

44. Page 178, line 6 through line 8.
Strike: ";" on line 6 through "61-3-504" on line 8

45. Page 178, line 11.
Following: "174,"
Insert: "House Bill No. 420,"

46. Page 178, line 12.
Strike: "SENATE BILL NO. 260,"

47. Page 178, line 13 through line 20.
Strike: subsections (3) and (4) in their entirety
Renumber: subsequent subsections

48. Page 178, line 25.
Following: "(6)"
Insert: "(a)"

49. Page 179, line 1 through line 5.
Strike: "HOWEVER" on line 1 through "SO." on line 5
Insert: "Except as provided in subsections (4)(b), each tax increment financing district must receive the benefit of the reimbursement based on the loss to the incremental taxable value of the district.

(b) A tax increment financing district that consists of an industrial district created under 7-15-4299 may not receive any reimbursement under subsection (4)(a)."

50. Page 179, line 9.
Insert: "(6) (a) A charter form of local government that has a charter provision that prohibits an increase in the number of mills that may be levied to compensate for the loss of taxable value, as authorized in [section 1], is entitled to further reimbursement in addition to that computed under subsections (1) through (5) of this section.

(b) The amount of reimbursement is equal to the difference between the amount of the reimbursement calculated under subsections (1) through (5) and the amount of property tax imposed in tax year 1998. If the amount appropriated for the reimbursement under this subsection (6) is insufficient to fully fund all the jurisdictions entitled to reimbursement, the payments must be prorated to the jurisdictions. The payments

must be made with the payments made under subsections (1) through (5)."

51. Page 179, line 12.
Strike: "13"
Insert: "10"

52. Page 179, line 16.
Following: ";"
Insert: "and"

53. Page 179, line 17.
Following: line 16
Insert: "(c) the following members appointed by the governor:"

54. Page 179, line 17.
Strike: "(C) THREE MEMBERS APPOINTED BY THE MONTANA ASSOCIATION"
Insert: "(i) two representatives"
Renumber: subsequent subsections

55. Page 179, line 18.
Strike: "MEMBERS APPOINTED BY THE MONTANA LEAGUE"
Insert: "representatives"

56. Page 179, line 19.
Strike: "MEMBER APPOINTED BY THE MONTANA COUNTY TREASURERS ASSOCIATION"
Insert: "county treasurer"
Following: ";"
Insert: "and"

57. Page 179, lines 20 through 22.
Following: "GOVERNMENT" on line 20
Strike: remainder of line 20 through "GOVERNOR" on line 22

58. Page 179, line 25.
Strike: "13"
Insert: "10"

59. Page 180, line 1.
Following: ";"
Insert: "and"

60. Page 180, line 2.
Following: line 1
Insert: "(d) the following members appointed by the governor:"

61. Page 180, line 2.
Strike: "(D)"
Insert: "(i)"
Strike: "APPOINTED BY THE MONTANA LEAGUE OF"
Insert: "representing"
Renumber: subsequent subsections

62. Page 180, line 3.
Strike: "APPOINTED BY THE MONTANA ASSOCIATION OF"
Insert: "representing"

63. Page 180, line 5.
Following: ";"
Insert: "and"

64. Page 180, lines 6 through 8.
Strike: "MEMBER REPRESENTING THE MONTANA ASSOCIATION OF CLERKS" on line 6
Insert: "clerk"
Following: "COURT" on line 6
Strike: remainder of line 6 through "GOVERNOR" on line 8

65. Page 181, line 12.
Strike: "USE"
Insert: "request assistance from or the use of"

66. Page 181, line 14.
Following: "(8)"
Strike: "MEMBERS"
Insert: "(a) Except as provided in subsection (8)(b), members"
Following: "2-18-501"
Insert: "through 2-18-503"

67. Page 181, line 16.
Following: line 15
Insert: "(b) Legislators serving on the committees must be reimbursed and compensated as provided for in 5-2-302 for actual and necessary expenses incurred in attending meetings

or conducting committee business."

68. Page 181, line 18 and line 23.
Strike: "180"
Insert: "168"

69. Page 181, line 22.
Strike: "$200,000"
Insert: "$55,000"

70. Page 181, line 25.
Strike: "$29,020,607"
Insert: "$1,980,000"

71. Page 181, line 27.
Strike: "$7,512,257"
Insert: "$2,229,934"

72. Page 181, line 28.
Strike: the first "THE" through "2001"
Insert: "state reimbursements for motor vehicle fee reductions under 61-3-509"

73. Page 181, lines 29 and 30.
Strike: subsection (5) in its entirety
Renumber: subsequent subsections

74. Page 182, line 1.
Strike: "APPROPRIATED"
Insert: "transferred"

75. Page 182, lines 4 through 6.
Strike: subsection (7) in its entirety
Renumber: subsequent subsections

76. Page 182, line 7.
Strike: "$8,563,819"
Insert: "$12,900,000"

77. Page 182, line 8.
Strike: "$29,672,370"
Insert: "$54,934,392"
Strike: "ADMINISTRATION"
Insert: "revenue"

78. Page 182, line 9.

Strike: "179"
Insert: "167(1) through (5)"

79. Page 182, line 10.
Insert: "(7) There is appropriated from the general fund $1.5 million for the biennium ending June 30, 2001, to the department of revenue for the costs of administration.

(8) There is appropriated from the general fund $2.15 million for the biennium ending June 30, 2001, to the department of revenue for the reimbursements calculated in [section 167(6)].

(9) There is appropriated from the general fund $600,000 to the department of revenue for the biennium ending June 30, 2001, for reimbursement to tax increment financing districts created pursuant to 7-15-4299.

(10) The governor shall include the sum of the reimbursements in this section in the present law base budget prepared for the 57th legislative session."

80. Page 182, line 21.
Strike: ", SENATE BILL NO. 260,"

81. Page 182, line 23 through page 183, line 18.
Strike: subsection (2) in its entirety
Insert: "(2) If Senate Bill No. 260 and [this act] are both passed and approved, then [section 3] of Senate Bill No. 260, amending 61-3-509, must read as follows:

"61-3-509. Disposition of taxes. (1) Except as provided in subsection (2), the county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521, 61-3-527, 61-3-529, and 61-3-537, to a motor vehicle suspense fund. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund. Except for taxes collected under 61-3-504, the county treasurer shall distribute the money in the fund in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed. For money in the fund collected under 61-3-504, the county treasurer shall disregard the statewide mills levied for the university system and the mills levied for state equalization aid under 20-9-360 in determining distribution proportions of the money and may not distribute money from 61-3-504 to the state for either levy. If the distribution of money collected under 61-3-504 to a school district general fund results in a lower revenue than the district received in fiscal year 1999 and the district has, for all years after fiscal year 1999, received less revenue than in fiscal year 1999, then the district general fund is entitled to

state reimbursement for the amount of the difference between the fiscal year 1999 revenue and the prior school fiscal year revenue under 61-3-504. Prior to January 31, the office of public instruction shall distribute to each school district an amount equal to the state reimbursement for the prior school year.

(2) The county treasurer shall deduct as a district court fee ~~7%~~ 10% of the amount of the ~~2%~~ tax collected on light vehicles under 61-3-504(1). The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the state special revenue fund to be used for purposes of state funding of district court expenses as provided in 3-5-901."

Renumber: subsequent subsections

82. Page 183, line 19.
Strike: "HOUSE BILL NO. 90,"
Following: "260"
Strike: ","

83. Page 183, line 20.
Following: "THEN"
Insert: "section 20-9-141 in House Bill No. 90 is void and"

84. Page 184, line 6.
Following: "~~following:~~"
Insert: "amounts received in the last fiscal year for which revenue reporting was required for each of the following:

(A) revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-521, 61-3-527, 61-3-529, and 67-3-204;

(B) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4); and

(C) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid;"

85. Page 184, line 7.
Following: "~~(A)~~"
Insert: "(iii)"
Renumber: subsequent subsections

86. Page 184, line 10.
Strike: "23-2-517, 23-2-803,"
Following: "61-3-504"
Strike: ","

87. Page 184, line 11.
Strike: "61-3-521, 61-3-527, 61-3-529,"
Insert: "and"
Strike: "and 67-3-204"
Insert: "which for the fiscal year beginning July 1, 2000, may not be less than 75% of the previous year's revenue from these sources"

88. Page 184, line 13.
Following: "15-23-703"
Insert: "and property tax reimbursements under 15-1-111, 15-1-112, and [section 167]"
Following: ";"
Insert: "and"

89. Page 184, lines 14 and 15.
Strike: subsection (vi) in its entirety
Renumber: subsequent subsections

90. Page 184, line 17 through line 19.
Strike: ";" on line 17 through "aid" on line 19

91. Page 185, line 13.
Following: "15-23-703"
Insert: "and property tax reimbursements under 15-1-111, 15-1-112, and [section 167]"

92. Page 185.
Following: line 13
Insert: "(4) If Senate Bill No. 454 is passed and approved, but House Bill No. 622 is not passed and approved, then Senate Bill No. 454 [section 2 of the reference copy] must read as follows:

"NEW SECTION. Section 2. **Review of state payments in lieu of taxes.** The interim local government funding and structure committee created under [section 168 of the reference copy of Senate Bill No. 184] shall include in its study of funding local government a review of state payments in lieu of taxes to local governments from grazing, agricultural, and forest activities that are self-supporting or that compete with private enterprise."

(5) If House Bill No. 622 and [this act] are both passed and approved and both bills commission local government and court funding and structure studies that are substantially the same, then House Bill No. 622 is void."

93. Page 185, line 17.
Insert: "NEW SECTION. **Section 172. Severability.** If a part of [this act] is invalid, all valid parts that are severable from

the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."
Renumber: subsequent sections

94. Page 185, line 18.
Strike: "(1)"

95. Page 185, line 21 through line 24.
Strike: subsections (2) and (3) in their entirety

96. Page 185, lines 26 and 27.
Strike: "DATES" on line 26
Insert: "date"
Strike: "(1)" on line 26 through "[THIS"
Insert: "[This"

97. Page 185, line 28 and 29.
Strike: subsections (2) and (3) in their entirety

98. Page 186, lines 1 through 3.
Strike: "APPLICABILITY" on line 1
Insert: "Retroactive applicability"
Strike: "(1)" on line 1 through "1" on line 3
Insert: "[Sections 1 through 164]"

99. Page 186, line 5.
Strike: subsection (2) in its entirety

100. Page 186, line 7.
Following: "TERMINATION."
Strike: remainder of line 7 in its entirety
Insert: "[Section 167] terminates December 31, 2001."

- END -

MINUTES

MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on January 25, 1999 at 9:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. E. P. "Pete" Ekegren (R)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis Jr.(R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 184, 1/25/1999; SB 205, 1/25/1999; SB 206, 1/25/1999
Executive Action: None

HEARING ON SB 184

Sponsor: **SENATOR LORENTS GROSFIELD, SD 13, BIG TIMBER**

Proponents: **Ralph Peck, Department of Agriculture**
Fred Elling, Director, Wheat and Barley Committee
Bob Stephens, Montana Grain Growers Association

Opponents: **Gordon Morris, Director, Montana Association of Counties**

Opening Statement by Sponsor:

SENATOR LORENTS GROSFIELD, SD 13, Big Timber, introduced **SB 184** as a bill to bring the Code into compliance with **CI-75** in regard to levies. The concept of **SB 184** is approved by the select committee on **CI-75;** however, this bill as written is not approved by that committee because it doesn't have a contingent voidance language in it. That committee decided that it would not approve any bills that did not have the contingent voidance language in it.

Sen. Grosfield gave a short history of what has brought the legislature to this point. He said that in 1986 the voters in this state were very frustrated and they decided to give the Legislature **I-105**. They said, "You have not listened to us," and they voted in a property tax freeze. A few years later, the voters were still frustrated. "The Legislature is not listening, and we want you out of there," so they put on term limits. "That gives you just a few years to get it done and then you're gone." A few more years went by, and the voters were still frustrated. They felt that the Legislature was not responding and they voted in **CI-75**.

SEN. GROSFIELD handed out copies of **CI-75 EXHIBIT(tas19a01).** He said he believes that **CI-75** will be found unconstitutional by the Supreme Court because it was not honestly presented to the voters and should not be a part of the Constitution. However, he said if it is found to be unconstitutional, there will be a backlash from the voters because they are frustrated and want something done. He said the Legislature needs to respond to the frustration of the voters in a decisive manner this session. **SEN. GROSFIELD** then passed out a flier **EXHIBIT(tas19a02)** that appeared as an insert in his hometown weekly newspaper. It was also sent out en masse as a bulk mailing. It is not attributed to any person or organization, and is full of inaccuracies, but it does reflect the frustration of the voters of Montana. He said he intends
SB 184 to respond to **CI-75** if it is not declared invalid, or to respond to **CI-75** sentiment if it is declared invalid.

SEN. GROSFIELD said that there's another problem out there, and that's **SB 195** and the Roosevelt decision. **Senate Bill 195** was ruled unconstitutional by a lower court, and if the Supreme Court

affirms that decision, then we may have a big problem. He said this bill is one vehicle to address that crisis. This bill contains all property tax levies that are levied by units of government, and it will be easy to fashion this bill to respond to a Roosevelt decision. **SEN. GROSFIELD** said nobody in this legislature wants an extreme property tax rise corresponding to the assessment increases that will be employed if the Roosevelt decision determines **SB 195** unconstitutional.

Referring to **SB 184**, **SEN. GROSFIELD** said the whole bill is in Section 1. The rest of the bill refers to the various levies, and each one says, "Regarding this levy, regarding that levy, refer to Section 1." He referred the committee to page 2 of Section 1, which says that a governmental entity authorized to impose a levy has to calculate that levy consistent with **CI-75.** The way that is done is to look at the amount actually collected in the governmental unit in the prior year. He pointed out that on line 11, it refers to a "government entity" and on line 13 it refers to a "governmental unit." He said that's an important distinction because, for example, the county commissioners are authorized to impose a levy, but it may be a levy for a different governmental unit.

SEN. GROSFIELD said that number (3) deals with the refund. It says that anything not attributable to (a) through (e) has to be refunded. Those five items are specific in **CI-75**, (a) for an improvement, (b) from property being moved into the area, (c) if the boundary is being extended, (d) are levies authorized by the voters, or (e) are bonds authorized by the voters. However, any refund must be prorated to all property taxpayers and must include an amount for interest on the excess at the rate of 10% a year.

SEN. GROSFIELD pointed out two repealers in **SB 184** that deal with a couple of statutes that are currently on the books that address limitations in property taxes because **CI-75** goes way beyond those two statutes. He said the current property tax limitations are found in Title 15, Chapter 10, Part 4, and that is the **I-105** part of the statute. One of the repealers goes to 15-10-412, which talks about limiting the amount of taxes under **I-105**, but then it goes on to say that the limitation "does not prohibit an increase as a result of," then there is a list. Some of the things are included in **CI-75,** but this list goes way beyond **CI-75** and allows all kinds of other exclusions and has led to the voter frustration that we need to respond to even if **CI-75** falls.

SEN. GROSFIELD said that the Wheat and Barley Committee will introduce some amendments which he supports. Those amendments will nullify almost all of the fiscal note. He said it will nullify numbers 1, 2, 3, 4, 5, 6, and 7. It does not nullify number 8, but does nullify number 1 under the long-range impacts, and numbers 2 and 3 of the technical notes, numbers 2 and 3.

There's also one other small amendment that **SEN. GROSFIELD** said he would like the committee to consider. On page 2, line 14, the bill reads, "A governmental entity shall apply the levy calculated pursuant to subsection (1)," and he would like to amend it to read, "shall apply a levy up to the levy calculated," because a local government cannot decrease under any circumstances the amount from the previous year, and he feel that local governments need to have that option if they desire.

In summary, **SEN. GROSFIELD** said this bill requires each governmental entity with the authority to set levies to set them according to the restrictions and also the exceptions in **CI-75**. He said that if Roosevelt declares **SB 195** invalid, we need the bill; if **CI-75** is declared invalid, we need the bill; if **CI-75** is declared valid, we need the bill. He said this legislature needs to respond to voter frustration, and he feels this bill will do that.

Proponents' Testimony:

Ralph Peck, Department of Agriculture, said he appreciated **SEN. GROSFIELD'S** working with the Montana Wheat and Barley Committee in preparing some amendments **EXHIBIT(tas19a03)**. Basically, he said in talking about **CI-75**, the wheat and barley assessment was based on mills in the statute which were levied. The assessment was basically interpreted to be part of Section 1 of **SB 184.** He said that if the verbiage pertaining to mills and levy was changed to a fee assessment, the wheat and barley assessment would be considered a fee and not subject to Section 1. That's what this amendment would do, which would resolve the fiscal note impacts and satisfy the requirements of **CI-75.**

Fred Elling, Rudyard, said he's a wheat and barley producer and **Director of the Montana Wheat and Barley Committee, District 2.** He said the Wheat and Barley Committee, along with the farmers that it represents, requests that the Senate Committee on Taxation concur with **SEN. GROSFIELD'S** amendment to remove the wheat and barley committee from requirements of Section 1, **SB 184**. He read, "The fees collected for use by the wheat and barley committee are not property taxes. They are a refundable

assessment paid by the producers for the purpose of market development and research." **SEN. GROSFIELD'S** amendment makes the minor changes to the committee enabling legislation that more accurately reflects our program, intent and purpose. He provided a written copy of his testimony **EXHIBIT(tas19a04)**.

Bob Stephens, Montana Grain Growers Association, said his organization supports **SB 184**, providing it has the wheat and barley commission amendment.

Opponents' Testimony:

Gordon Morris, Director, Montana Association of Counties, said he agreed with almost everything **SEN. GROSFIELD** has indicated in terms of what is going on out there and the political and economic environment of our state. Unfortunately, he said, **SB 184** is full of problems for local governments, for counties. He said that under the auspices of this bill, if it were passed, local governments would be so crippled that they would discontinue functioning as they do now. He said he didn't have any solutions for **CI-75** or **SB 195**, but he said that the local governments, counties in particular, are not the problem. He said **I-105** already limits counties from the standpoint of increasing taxes without a vote of the people, and **SB 184** is even more restrictive.

Mr. Morris said he believes that **CI-75** was a warning shot. He doesn't think that this legislature is going to be able to leave Helena in April without having addressed the real problems with Montana's tax system. He said what needs to be done is to overhaul the tax system from top to bottom.

Questions from Committee Members and Responses:

SEN. GLASER said that it appears that the counties don't like **CI-75** and believe that it will be thrown out. He asked **SEN. GROSFIELD** how he thought the public would respond if something like **SB 184** is not enacted. **SEN. GROSFIELD** said he thought that CI 76 would soon follow. He said a lot of people have frustration with **CI-75** for a lot of different reasons, but it is part of our law. It is part of our Constitution until it's declared null and void, or until the people vote it out.

SEN. ELLINGSON said **SEN. GROSFIELD** he felt had spoken harshly about **CI-75**, but that **SB 184** by statute incorporates close to the same features of **CI-75** into statutory law. He asked what it is about **SB 184** that makes it preferable to the initiative that was

passed by the voters. **SEN. GROSFIELD** said that what this bill does is implement the initiative with respect to levies. **SEN. ELLINGSON** said he perceived that **SEN. GROSFIELD** had drafting problems with **CI-75** but not conceptual problems and that this bill addressed those kinds of drafting and implementing problems, and **SEN. GROSFIELD** said that was not accurate. He said he has all kinds of problems with **CI-75**, but it is the law and we have to respond to it. This bill does not implement all of **CI-75**, just one small portion that deals with levies.

SEN. ELLINGSON then said he understood that **SEN. GROSFIELD** does not like **CI-75** but that he is recognizing that it is the law and so this bill is offered to simply implement what he understands the voter sentiment to be. **SEN. GROSFIELD** said it was not what he understood the voter sentiment to be, it's what he understands the clear language of **CI-75** to say. He said he had other ideas about voter sentiment, because if **CI-75** falls, we still have to deal with that voter sentiment.

SEN. ELLIS said **Gordon Morris** had made the point that local governments are not the problem, and that counties hadn't taken advantage of increased valuations, but he asked **Mr. Morris** if they hadn't actually done exactly that until **SB 195** was passed. **Mr. Morris** responded that the suggestion that as a result of cyclical reappraisal, referring to 1993 in particular, and higher values in 1993 and headed off, as it were, in 1996, the counties took a windfall, and that that is, based upon his understanding of county budgets adopted in FY 94, absolutely wrong. He said he has shown the analysis of the levies that were imposed in FY 94 compared to FY 93 as a result of cyclical reappraisal, which demonstrated that every increase was identified in every instance with a vote of the people.

SEN. ELLIS then asked **Dennis Burr** about RSIPs, RIPs and SIDs and whether they would really be affected by this legislation if these taxing jurisdictions agree to be taxed, although maybe not with a vote, prior to the institution of the tax, and **Mr. Burr** said he believed that's correct. He said a rural improvement district can decide that they want to be assessed a certain amount of money for a specific purpose, and it may not require a vote now, but probably a certain number of property owners must sign a petition to do that. However, with **CI-75**, it requires a vote if you're going to increase revenue or increase a tax or a fee. He said **Mr. Morris** is probably right that it's more cumbersome for local governments to have to do that, but he said he believes that's what **CI-75** requires them to do.

SEN. DEPRATU complimented **SEN. GROSFIELD** on the work in **SB 184**, and said that he agreed with him in that should **CI-75** be turned over by the courts, if the legislature hasn't responded, there will be a much harsher backlash from the public than what we've already had. He said the people have spoken and it's the duty of the legislature to do the best it can to implement it. He said he had a technical question regarding the refund mechanism which specifies 10% interest, which is a higher rate than can presently be earned, and whether it could be changed to a rate that wouldn't be a cost back to the taxing jurisdiction, perhaps at least a breakeven figure. **SEN. GROSFIELD** said that **CI-75** specifies 10%, so it's got to be 10% because it's in the Constitution.

SEN. ELLIS said that **Gordon Morris** had testified that this didn't deal with revaluation, but he asked if, in fact, the refund deals with changes in valuations in property. **SEN. GROSFIELD** responded that that was correct, that (a) through (e) are the specific exclusions authorized within **CI-75** almost verbatim. Revenue from those kinds of sources does not trigger the refund provision. **SEN. ELLIS** asked if it does so in a manner that it doesn't shift between taxpayers, but just redistributes the money back. **SEN. GROSFIELD** said that is what **CI-75** says and what **SB 184** says.

SEN. STANG then asked **SEN. GROSFIELD** if he had looked at **HB 108** that **REP. SWANSON** is carrying from the Interim Property Tax Committee, and **SEN. GROSFIELD** said he had not. **SEN. STANG** said that the provisions of that bill are similar to the provisions of **SB 184**, and perhaps they could be combined to accomplish the same thing. **SEN. GROSFIELD** said he would take a look at that.

Closing by Sponsor:

SEN. GROSFIELD reiterated that this is a serious issue, dealing with **CI-75** but also with the Roosevelt issue, **SB 195**, and that whole area. He said he believes our tax system does need to be overhauled. However, he said that we do need to respond to **CI-75** since it is the law. He agreed that this bill is full of problems for local government. He said **CI-75** is also full of problems for local government, but it is the law. It will result in radical change in the way local governments function, and that is what is required by **CI-75**. He said regardless of what happens with **CI-75**, this legislature still needs to respond to the voters' frustration.

CHAIRMAN DEVLIN passed around written testimony by the **Office of Public Instruction** dealing with a possible amendment to **SB 184 EXHIBIT(tas19a05)** which will be dealt with in executive session.

SENATE TAXATION
DATE 1/25/99
EXHIBIT NO. 1
BILL NO. SB 184

CI-75

"Section 17. People's right to vote on taxes -- fairness in tax elections -- enforcement. (1) No new tax or tax increase may be enacted unless first approved by a majority of the electors voting on the measure in the geographic area subject to the tax.

(2) As used in this section, the following definitions apply:

(a) "Government" or "governmental unit" means the state or any political subdivision of the state, including but not limited to local governments, school districts, and other districts.

(b) "New tax" includes:

(i) any new tax imposed by a governmental unit; and

(ii) any tax extended to a geographic area not formerly subject to the tax.

(c) "Tax" means any financial charge, however denominated, imposed by a governmental unit and from which revenue accrues to government, other than:

(i) a price in a voluntary transaction in a competitive market where the item for which the price is being imposed is not monopolized by government, including but not limited to educational tuition; or

(ii) civil and criminal fines and other charges collected in cases of restitution or violation of law or contract.

(d) "Tax increase" includes:

(i) an increase in the rate of a tax;

(ii) an expansion in the legal definition of a tax base;

(iii) an extension of an expiring tax;

(iv) complete or partial repeal of inflation indexing;

(v) a required acceleration in payment of a tax; and

(vi) beginning with tax years following November 3, 1998, any increase in a governmental unit's expected annual property tax revenue that is not attributable to property improvements or to personal property being moved into the geographic area subject to the governmental unit. In calculating a prior year's property tax revenue in order to ascertain any rise in expected annual property tax revenue, revenue collected in excess of that permitted by this section shall be disregarded.

(3) This section does not apply to:

(a) new taxes and tax increases approved by voter initiative;

(b) specific taxes while dedicated to payment of public debt either existing on November 3, 1998, or authorized by the voters;

(c) any specific emergency measure authorized by vote of three-fourths (3/4) of the members of each house of the legislature, subject to Article III, section 5, and expiring not later than the end of the tax year during which the succeeding regular legislative session ends;

(d) any price for voluntary purchase of an item provided by a governmental unit where the purchaser is not a resident of the geographic area subject to the governmental unit charging the

price.

(4) In order to promote fairness in tax elections:

(a) no governmental unit shall hold more than one tax election, which may include multiple ballot issues, in any calendar year. Every tax election shall be held on a date assigned by law for a primary or general election or, if there is no general election or no primary election during that year, on the corresponding date.

(b) each ballot issue shall encompass only a single tax and shall not encompass a general waiver or delegation of approval authority for future taxing power. Statements of implication for new taxes shall begin, "SHALL A NEW TAX, DESCRIBED AS FOLLOWS, BE IMPOSED? [followed by description of new tax]." Statements of implication for tax increases shall begin, "SHALL THE [NAME OF TAX] TAX BE INCREASED ANNUALLY BY [followed by amount of annual increase when in full effect], IN THE FOLLOWING MANNER?" [followed by description of tax increase]. If a proposed tax increase requires an election because it raises the base or rate, but does not raise additional revenue, the statement of implication shall so declare.

(c) The legislature may raise the required level of voter turnout or the required percentage of voter approval.

(5) Notwithstanding the referendum exception of Article VI, section 10, before a bill imposing new or increased taxes is referred to the people, the governor shall have veto power, to be exercised and overridden under the same rules applicable to other bills.

(6) In order to promote effective enforcement of this section:

(a) a governmental unit collecting revenue in violation of this section shall refund the revenue to the taxpayers within one year after the tax payment deadline, together with simple interest at the rate of 10 percent per year. All refunds, including refunds of property taxes, shall be based on excess actual collections rather than on estimated collections. A governmental unit may pay a refund of excess revenue and interest on the refund as a credit toward an entitled taxpayer's following year tax liability, but only insofar as the credit fully reimburses the taxpayer.

(b) any elector of a governmental unit has standing to sue for enforcement of this section against the governmental unit and its agents. Notwithstanding any legislative limitation created pursuant to Article II, section 18, sovereign immunity does not shield public officials or employees from appropriate civil liability for violation of this section. To the extent the elector prevails, the elector is entitled to attorney fees.

(c) this section is self-executing and shall be liberally construed to subject to fair referendum new or increased government financial charges not subject to the discipline of the competitive market."

SENATE TAXATION
DATE 1/25/99
EXHIBIT NO. 2
BILL NO. SB 184

WARNING ....

WHAT YOU DON'T KNOW CAN HURT YOU!

IF YOU DON'T BELIEVE IT ...

- JUST LOOK AT THE "POTENTIAL INCREASES IN PROPERTY TAXABLE VALUES" (SEE REVERSE). THESE INCREASES, PROJECTED BY THE MONTANA REVENUE DEPARTMENT IN 1997, SHOW THE PERCENTAGE FOR SWEET GRASS COUNTY AS A WHOPPING 75% ... AND PARK COUNTY AT 71% ... ASK YOURSELF, DO YOU REALLY WANT YOUR TAXES INCREASED AT THOSE PERCENTAGES? WOULD YOU ACTUALLY VOTE FOR THAT??

- THE STATE LEGISLATURE TRIED TO PROTECT THE PROPERTY OWNERS BY PASSING A PROPERTY TAX FREEZE IN 1997 WHICH WAS KNOWN AS SENATE BILL 195; HOWEVER, IN 1998, THE COURT DECLARED IT "UNCONSTITUTIONAL" ... LEAVING YOU UNPROTECTED!

- IN NOVEMBER, 1998, MONTANA TAXPAYERS (VOTERS) PASSED CI-75, AND IT BECAME A LAW OF THE STATE OF MONTANA ... A LAW THAT PROTECTS YOU, THE TAXPAYERS, AGAINST NEW TAXES OR TAX INCREASES, BECAUSE IT GIVE YOU THE RIGHT TO VOTE ON TAXES

HELP YOURSELF BY LEARNING
WHOSE HANDS ARE TRYING TO
GET IN YOUR POCKET/PURSE ...

- DID YOU KNOW SENATOR GROSFIELD IS SPONSORING A BILL, LC1155, TO REPEAL CI-75 ... LEAVING YOU SUBJECT TO INCREASED PROPERTY TAXES BASED UPON LEGISLATIVE ACTION WITH NO POWER OR RIGHTS, WHICH YOU NOW HAVE WITH CI-75!

- IF YOU'D RATHER KEEP YOUR SAVINGS FOR RETIREMENT, YOUR KIDS' EDUCATION, AND THAT NEW CAR, RATHER THAN SPENDING IT FOR PROPERTY TAXES, YOU NEED TO CONTACT SENATOR GROSFIELD AT (406) 537-4489 OR MAIL HIM A LETTER TO P.O. BOX 2145, BIG TIMBER, MT, AND TELL HIM ....

'THE PEOPLE OF MONTANA HAVE SPOKEN ... NOW LEAVE OUR PROTECTION (CI-75) ALONE!"

WARNING: PUBLIC NOTICE ENCLOSED

Dennis M. Burr
61
Pinecrest Rd
Clancy, MT 59634

BULK MAIL
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Permit No. 565

Loprents N. Grosfield
406-537-4489
North of Big Timber
Melville, MT 59055

Legislative Messages 406-444-4800
Email: www.Senate@St.Mt.Us.

SENATE TAXATION
DATE 1/25/99
EXHIBIT NO. 3
BILL NO. SB 184

Amendments to Senate Bill No. 184
1st Reading Copy

Requested by Senator Lorents Grosfield

For the Senate Taxation Committee

Prepared by Lee Heiman
January 20, 1999

1. Title, page 1, line 6.
Following: "PAYMENTS"
Insert: "AND WHEAT AND BARLEY PAYMENTS"

2. Title, page 2, line 3.
Following: "80-11-206,"
Insert: "80-11-210,"

3. Page 137, line 24.
Strike: "Subject to [section 1], there"
Insert: "There"
Strike: "10 mills"
Insert: "1 cent"

4. Page 137, line 25.
Strike: "15 mills"
Insert: "1 1/2 cents"

5. Page 137, line 27.
Strike: "levied and"

6. Page 138, line 8.
Strike: "levied"
Insert: "imposed"

7. Page 138, line 15.
Following: line 14
Insert: "**Section 230.** Section 80-11-210, MCA, is amended to read:

"**80-11-210. Wheat and barley account -- sources -- use -- expenditures.** (1) There ~~shall be~~ is an account in the state special revenue fund known as the wheat and barley account. The following ~~shall~~ must be placed in the account:

(a) the proceeds of all ~~millage levies~~ assessments collected under this part; and

(b) the proceeds from all gifts, grants, or donations to the department for research authorized under this part.

(2) The account ~~shall~~ must be maintained for the purposes of this part and ~~shall~~ must be separate from all other accounts

of the department.

(3) The department may direct the board of investments to invest funds from the account pursuant to the provisions of the unified investment program for state funds. The income from ~~such~~ the investments ~~shall~~ must be credited to the wheat and barley account."

{Internal References to 80-11-210: 80-11-224x}"

Renumber: subsequent sections

- END -

SENATE TAXATION
DATE 1/25/99
EXHIBIT NO. 4
BILL NO. SB 184

TESTIMONY OF THE MONTANA AND BARLEY COMMITTEE

Great Falls, Montana

PRESENTED BY

FRED ELLING, DIRECTOR

For the record of

the

SENATE TAXATION COMMITTEE

on the

AMENDMENT TO SB 184

Helena, Montana

January 25, 1999

Mr. Chairman, and members of the Committee, my name is Fred Elling. I am a wheat and barley producer from Rudyard, MT and the director on the Montana Wheat and Barley Committee that represents the counties of District #2.

The Montana Wheat and Barley Committee, along with the farmers that it represents, requests that the Senate Committee on Taxation concure with Senator Grosfield's amendment to remove the Montana Wheat and Barley Committee from the requirements of Section 1 of SB 184. The Committee is referenced in Section 229, page 137, beginning with line 23.

The fees collected for use by the Wheat and Barley Committee are not "property taxes". They are a refundable assessment, paid by producers, for the purpose of market development and research. I emphasize the word "refundable" because this word, more than any other, points out that our fees (or assessment) are not a "tax" at all. How many taxes are refundable?

The Wheat and Barley Committee was wrongly placed in SB 184, I believe, because the word "mills" was used in our original enabling legislation to measure the amount collected from producers for this self-help program. That word implies taxation. Senator Grosfield's amendment correctly makes the minor changes to the Committee's enabling legislation that more accurately reflects our program's intent and purpose. He has changed the verbiage from "fees" and "levy" to "a fee assessment". This modification will mean that the Montana Wheat and Barley Committee would not be subject to Section 1 of SB 184.

On behalf of this organization and its contributing farmers, thank you for supporting this amendment.

SENATE TAXATION
DATE 1/25/99
EXHIBIT NO. 5
BILL NO. SB 184

OFFICE OF PUBLIC INSTRUCTION
PO Box 202501
HELENA MT 59620-2501
(406) 444-3095

Nancy Keenan
Superintendent

January 25, 1999

To: Senate Taxation Committee

From: Madalyn Quinlan
Office of Public Instruction

Subject: Proposed amendment to SB 184

The Office of Public Instruction requests that the Senate Taxation Committee adopt the attached language for Senate Bill 184 to replace the existing language in Section 170.

Senate Bill 184, Section 170 preserves language in 20-9-308(2)(ii) that is no longer applicable now that all school districts must adopt a budget that is at least equal to the BASE budget as defined by the school equalization formula.

The attached language also clarifies an existing statutory provision that the only districts that may budget in excess of the general fund maximum budget (as defined by the school equalization formula) are those districts that were budgeting in excess of their maximum when HB 667 was adopted in 1993. This proposed language is also found in HB 103 (Peck), which the House Education Committee is considering.

Office of Public Instruction
January 25, 1999

Proposed amendment to SB 184. Replacement language for Section 170.

Section **Section 20-9-308**, MCA, is amended to read:
"**20-9-308. BASE budgets and maximum general fund budgets.** (1) The trustees of a district shall adopt a general fund budget that~~:~~
~~(a) except as provided in subsection (2),~~ is at least equal to the BASE budget established for the district~~; or~~ and.

~~(b)~~ except as provided in ~~section 3, Chapter 38, Special Laws of November 1993, and~~ subsection ~~(4)~~ (3) of this section, does not exceed the maximum general fund budget established for the district.

~~(2)(a) If the BASE budget for a district for the school fiscal year is greater than the general fund budget of the district for the prior school fiscal year, the trustees of the district:~~
~~(I) shall increase the general fund budget by at least:~~
~~(A) 25% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994;~~
~~(B) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995;~~
~~© 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1996, and the BASE budget for the district for the school fiscal year beginning July 1, 1996; or~~
~~(D) the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1, 1997;~~
~~(ii) may increase the general fund budget beyond the amount in subsection (2)(a)(I) but not by more than 4% of the previous year's general fund budget or by more than 4% of the previous year's general fund per ANB multiplied by the current year's ANB for budgeting purposes pursuant to subsection (2)(b).~~
~~(b) The trustees shall submit a proposition on any amount exceeding the limitations in subsection (2)(a)(I) to the electors of the district, as provided in 20-9-353.~~

~~(3) (a)~~ (2) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district

but does not exceed the maximum general fund budget for the district, the trustees ~~shall submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per ANB multiplied by the current year's ANB for budgeting purposes.~~

~~(b) A~~ may adopt a general fund budget ~~adopted under this subsection (3) may~~ that does not exceed the greater of:

~~(i)~~ (a) 104% of the previous year's general fund budget ~~as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993~~; or

~~(ii)~~ (b) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes ~~as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993~~.

~~(4) (a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year, as adjusted by the provisions of section 3, Chapter 38, Special Laws of November 1993, the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that is greater than the district's general fund budget for the current school fiscal year.~~

(3) (a) The trustees may adopt a general fund budget that is greater than the maximum general fund budget only if the adopted budget for the previous year was greater than the maximum general fund budget for the previous year. The adopted budget may not exceed the adopted budget for the previous year.

(b) ~~Except for the school fiscal year beginning July 1, 1994, the~~ The trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(4) ~~(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with~~ The BASE budget for the district must be financed by the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

© a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

~~(6)~~ (5) ~~The~~ Subject to [Section 1], the over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141."

{*Internal references to 20-9-308:*

20-6-703 *20-6-704* *20-7-435* *20-9-141*
20-9-303 *20-9-307* *20-9-353* *20-9-353*
20-9-353 *20-9-353* *20-9-353* *20-9-353*
20-9-353}